

3. 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.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**
(dollars in thousands, except per capita)

Exhibit S-3A

Fiscal Year	Governmental Activities							Total Debt	Personal Income	Total Debt as a Percentage of Personal Income	Population	Total Debt Per Capita
	General Obligation Bonds	TIF Bonds	Tobacco Bonds	QZAB	Certificates of Participation	Capital Leases						
1995	\$ 3,157,003	\$ -	\$ -	\$ -	\$ -	77,762	\$ 3,234,765	18,150,647	17.8	580,517	\$ 5,572	
1996	2,965,756	-	-	-	-	77,485	3,043,241	18,766,180	16.2	572,377	5,317	
1997	3,084,763	-	-	-	-	129,715	3,214,478	19,579,959	16.4	567,736	5,662	
1998	3,091,403	-	-	-	-	124,181	3,215,584	20,562,335	15.6	565,230	5,689	
1999	3,098,582	-	-	-	-	132,189	3,230,771	21,114,995	15.3	570,213	5,666	
2000	3,109,728	-	-	-	-	131,167	3,240,895	23,102,223	14.0	571,437	5,671	
2001	2,582,017	6,900	521,105	-	-	121,564	3,231,586	25,618,196	12.6	569,408	5,675	
2002	2,670,573	126,545	514,280	3,582	-	157,057	3,472,037	26,125,315	13.3	564,643	6,149	
2003	3,251,118	125,524	506,550	3,327	129,530	90,458	4,106,507	26,651,113	15.4	557,620	7,364	
2004	3,418,933	124,009	502,740	3,071	128,345	84,456	4,261,554	-	-	553,523	7,699	

Note: There are no business type activities with outstanding debt

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**
(dollars in thousands, except per capita)

Exhibit S-3B

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
1995	\$ 3,157,003	\$ 42,167,117	7.49%	\$ 5,438
1996	2,965,756	42,698,520	6.95%	5,181
1997	3,084,763	42,257,900	7.30%	5,433
1998	3,091,403	43,187,723	7.16%	5,469
1999	3,098,582	42,445,498	7.30%	5,434
2000	3,109,728	43,270,066	7.19%	5,442
2001	2,582,017	44,229,116	5.84%	4,535
2002	2,670,573	52,522,147	5.08%	4,730
2003	3,251,118	58,063,667	5.60%	5,830
2004	3,418,933	66,454,109	5.14%	6,177

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Debt Service Cost Margin Calculation for Fiscal Year 2004:

General fund revenue	\$ 4,326,306
Debt service cost limitation (17% of general fund revenue)	735,472
Debt expenditure applicable to limit:	
Principal	146,761
Interest	152,720
Subtotal for current year	<u>299,481</u>
Highest future year debt service cost	\$ <u>339,003</u>
Total debt service cost subject to the limitation	<u>339,003</u>
Debt service cost margin	\$ <u>396,469</u>

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Debt service cost limitation	\$ 499,100	\$ 507,012	\$ 530,194	\$ 573,851	\$ 608,902	\$ 688,754	\$ 718,024	\$ 622,331	\$ 627,516
Highest future year debt service cost	376,734	403,739	428,918	400,504	346,992	327,044	270,910	284,114	319,160
Debt service cost margin	\$ 122,366	\$ 103,273	\$ 101,276	\$ 173,347	\$ 261,910	\$ 361,710	\$ 447,114	\$ 338,217	\$ 308,356
Total debt service cost subject to the limit as a percentage of debt service cost limit	75.5 %	79.6 %	80.9 %	69.8 %	57.0 %	47.5 %	37.7 %	45.7 %	50.9 %
Debt limit ratio	10.6 %	11.1 %	11.3 %	15.8 %	12.7 %	9.7 %	6 %	7.8 %	8.6 %

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 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 service percent is calculated using the total debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improver accounting for the decrease in revenues from the repeal of the Federal payment in lieu of taxes and the loss of court revenues.

Pledged-Revenue Coverage
Last Three Fiscal Years
(dollars in thousands)

Exhibit S-3D

Fiscal Year	Tax Increment Financing Debts				Coverage
	Sales Tax Increment	Debt Service			
		Principal	Interest		
2002	\$ 33	\$ -	\$ 33	100.00%	
2003	1,236	1,104	132	100.00%	
2004	2,335	1,515	4,265	40.40%	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements. The interest payment for FY 2004 includes \$1,940 paid out of the bond service reserve fund.

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