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### 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.

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

Exhibit S-3A

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds (GO)</b> | <b>Actual Value of<br/>Taxable Property</b> | <b>GO Bonds as a<br/>Percentage of Actual<br/>Value of Taxable<br/>Property</b> | <b>GO Debt<br/>Per<br/>Capita *</b> |
|--------------------|--|---|---|-------------------------------------|
| 2002               | \$ 2,670,573                                 | \$ 52,522,147                               | 5.08%   | \$ 4,611                            |
| 2003               | 3,251,118                                    | 58,063,667                                  | 5.60%   | 5,631                               |
| 2004               | 3,418,933                                    | 66,454,109                                  | 5.14%   | 5,900                               |
| 2005               | 3,632,198                                    | 86,887,767                                  | 4.18%   | 6,240                               |
| 2006               | 3,773,863                                    | 98,491,335                                  | 3.83%   | 6,446                               |
| 2007               | 4,140,133                                    | 124,875,273                                 | 3.32%   | 7,043                               |
| 2008               | 4,592,518                                    | 142,958,188                                 | 3.21%   | 7,760                               |
| 2009               | 3,766,628                                    | 153,039,555                                 | 2.46%   | 6,281                               |
| 2010               | 2,781,053                                    | 150,117,289                                 | 1.85%   | 4,598                               |
| 2011               | 2,829,598                                    | 139,287,502                                 | 2.03%   | 4,579                               |

\* The prior year per capita amounts were updated to reflect the revised census population estimates.

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

Exhibit S-3B

| <b>Fiscal Year</b> | <b>Tax Increment Financing Debts</b> |  |                     |                 | <b>Coverage</b> |
|--------------------|--------------------------------------|--|---------------------|-----------------|-----------------|
|                    | <b>Sales Tax<br/>Increment</b>       | <b>Real Property<br/>Tax Increment</b> | <b>Debt Service</b> |                 |                 |
|                    |                                      |  | <b>Principal</b>    | <b>Interest</b> |                 |
| 2003               | \$ -                                 | \$ -                                   | \$ -                | \$ 4,236        | 0.00%           |
| 2004               | 790                                  | -                                      | -                   | 4,236           | 18.65%          |
| 2005               | 4,507                                | 2,397                                  | 4,942               | 4,764           | 71.13%          |
| 2006               | 8,299                                | 974                                    | 4,809               | 4,899           | 95.52%          |
| 2007               | 8,948                                | 3,516                                  | 4,666               | 5,042           | 128.39%         |
| 2008               | 9,090                                | 1,563                                  | 4,565               | 5,147           | 109.69%         |
| 2009               | 10,032                               | 4,918                                  | 4,467               | 5,245           | 153.93%         |
| 2010               | 7,529                                | 4,431                                  | 4,390               | 5,320           | 123.17%         |
| 2011               | 10,904                               | 3,750                                  | 4,323               | 5,385           | 150.95%         |

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

Beginning FY 2010, the District revised the presentation of the Exhibit by removing sales tax increment and real property tax increment that were dedicated to tax increment financing other than the Gallery Place TIF Bonds and the Mandarin Hotel TIF Bonds for which the principal and interest components of debt service were indicated.

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

| Fiscal Year | Governmental Activities  |                          |            |                              |                               |                |                |               |                        |                 |                  | Total        |                    |   |                       |                                 |
|-------------|--------------------------|--------------------------|------------|------------------------------|-------------------------------|----------------|----------------|---------------|------------------------|-----------------|------------------|--------------|--------------------|---|-----------------------|---------------------------------|
|             | General Obligation Bonds | Income Tax Secured Bonds | TIF Bonds  | Qualified Zone Academy Bonds | Certificates of Participation | Capital Leases | Ballpark Bonds | HPTF Bonds(3) | PILOT Revenue Bonds(4) | GARVEE Bonds(5) | Tobacco Bonds(1) | Total Debt   | Personal Income(2) | Total Debt as a Percentage of Personal Income | Total Debt Per Capita | "Tax Supported Debt" Per Capita |
| 2002        | \$ 2,670,573             | \$ -                     | \$ 126,545 | \$ 3,582                     | \$ -                          | \$ 157,057     | \$ -           | \$ -          | \$ -                   | \$ -            | \$ 514,280       | \$ 3,472,037 | \$ 25,786,286      | 13.5%   | \$ 5,995              | \$ 5,107                        |
| 2003        | 3,251,118                | -                        | 125,524    | 3,327                        | 129,530                       | 90,458         | -              | -             | -                      | -               | 506,550          | 4,106,507    | 26,913,785         | 15.3%   | 7,112                 | 6,235                           |
| 2004        | 3,418,933                | -                        | 124,009    | 3,071                        | 128,345                       | 84,456         | -              | -             | -                      | -               | 502,740          | 4,261,554    | 29,203,213         | 14.6%   | 7,354                 | 6,486                           |
| 2005        | 3,632,198                | -                        | 117,525    | 2,815                        | 120,760                       | 76,390         | -              | -             | -                      | -               | 498,740          | 4,448,428    | 31,874,543         | 14.0%   | 7,643                 | 6,786                           |
| 2006        | 3,773,863                | -                        | 109,895    | 5,221                        | 278,100                       | 67,942         | -              | -             | -                      | -               | 742,284          | 5,512,105    | 33,895,852         | 16.3%   | 9,416                 | 8,148                           |
| 2007        | 4,140,133                | -                        | 105,229    | 4,787                        | 270,780                       | 59,868         | 534,800        | -             | -                      | -               | 737,069          | 5,880,461    | 36,119,426         | 16.3%   | 10,003                | 8,749                           |
| 2008        | 4,592,518                | -                        | 100,664    | 6,713                        | 261,375                       | 52,403         | 528,490        | -             | -                      | -               | 724,484          | 6,453,772    | 39,131,118         | 16.5%   | 10,905                | 9,709                           |
| 2009        | 3,766,628                | 1,071,785                | 96,196     | 6,044                        | 251,515                       | 44,492         | 521,750        | 155,630       | -                      | -               | 711,239          | 6,644,797    | 40,784,749         | 16.3%   | 11,081                | 9,895                           |
| 2010        | 2,781,053                | 2,570,650                | 91,807     | 9,518                        | 241,185                       | 36,108         | 517,390        | 142,138       | -                      | -               | 699,779          | 7,189,726    | 42,338,254         | 17.0%   | 11,886                | 10,729                          |
| 2011        | 2,829,598                | 3,029,100                | 87,484     | 8,573                        | 230,335                       | 27,433         | 512,850        | 142,375       | 82,610                 | -               | 690,289          | 7,724,982    | N/A                | 12,500  | 11,383                |                                 |

Note: There are no business type activities with outstanding debt.

Prior year per capita amounts were updated to reflect U.S. Census Bureau population estimates.

Convention Center bonds are neither reported nor included in this table.

(1) Tobacco bonds are not supported by general tax revenues and are not included in the Total "Tax Supported Debt" Per Capita calculation.

(2) The prior year personal income amounts were updated to reflect revised U.S. Bureau of Economic Analysis estimates.

(3) HPTF - Housing Production Trust Fund

(4) PILOT - Payments in Lieu of Taxes

(5) GARVEE - Federal Highway Grant Anticipation Revenue Bonds

N/A - Not Available

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

Exhibit S-3D

**Debt Service Cost Margin Calculation for Fiscal Year 2011:**

|  |    |                  |
|--|----|------------------|
| General fund revenue                                       | \$ | <u>5,995,246</u> |
| Debt service cost limitation (17% of general fund revenue) | \$ | <u>1,019,192</u> |
| Debt expenditure applicable to limit:                      |    |                  |
| Principal  | \$ | 179,097          |
| Interest   |    | <u>266,272</u>   |
| Subtotal for current year                                  |    | <u>445,369</u>   |
| Highest debt service cost                                  | \$ | <u>456,152</u>   |
| Total debt service cost subject to the limitation          |    | <u>456,152</u>   |
| Debt service cost margin                                   | \$ | <u>563,040</u>   |

|   | 2002       | 2003       | 2004       | 2005       | 2006       | 2007         | 2008         | 2009         | 2010       | 2011         |
|---|------------|------------|------------|------------|------------|--------------|--------------|--------------|------------|--------------|
| Debt service cost limitation  | \$ 622,331 | \$ 627,516 | \$ 735,472 | \$ 823,558 | \$ 875,852 | \$ 1,000,684 | \$ 1,039,711 | \$ 1,002,774 | \$ 977,459 | \$ 1,019,192 |
| Highest future year debt service cost   | 284,114    | 319,160    | 339,003    | 359,735    | 383,659    | 406,161      | 456,152      | 408,506      | 408,555    | 456,152      |
| Debt service cost margin  | \$ 338,217 | \$ 308,356 | \$ 396,469 | \$ 463,823 | \$ 492,193 | \$ 594,523   | \$ 583,559   | \$ 594,268   | \$ 568,904 | \$ 563,040   |
| Total debt service cost subject to the limit as a percentage of debt service cost limit | 45.7 %     | 50.9 %     | 46.1 %     | 43.7 %     | 43.8 %     | 40.6 %       | 43.9 %       | 40.7 %       | 41.8 %     | 44.8 %       |
| Debt limit ratio  | 7.8 %      | 8.6 %      | 7.8 %      | 7.4 %      | 7.4 %      | 6.9 %        | 7.5 %        | 6.9 %        | 7.1 %      | 7.6 %        |

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 would cause 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 highest fiscal year debt service divided by the total revenues.

