

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

Exhibit S-3A

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
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%	6,169
2005	3,632,198	86,887,767	4.18%	6,598

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

Exhibit S-3B

Fiscal Year	Governmental Activities							Personal Income	Total Debt as a Percentage of			Total Debt Per Capita	Total Tax Supported Debt' Per Capita*
	General Obligation Bonds	TIF Bonds	QZAB	Certificates of Participation	Capital Leases	Tobacco Bonds*	Total Debt		Personal Income	Population			
1996	\$ 2,965,756	-	-	-	77,485	-	\$ 3,043,241	18,766,180	16.2	572,377	\$ 5,317	5,317	
1997	3,084,763	-	-	-	129,715	-	3,214,478	19,579,959	16.4	567,736	5,662	5,662	
1998	3,091,403	-	-	-	124,181	-	3,215,584	20,562,335	15.6	565,230	5,689	5,689	
1999	3,098,582	-	-	-	132,189	-	3,230,771	21,114,995	15.3	570,213	5,666	5,666	
2000	3,109,728	-	-	-	131,167	-	3,240,895	23,102,223	14.0	571,437	5,671	5,671	
2001	2,582,017	6,900	-	-	121,564	521,105	3,231,586	25,618,196	12.6	569,408	5,675	4,760	
2002	2,670,573	126,545	3,582	-	157,057	514,280	3,472,037	26,125,315	13.3	564,643	6,149	5,238	
2003	3,251,118	125,524	3,327	129,530	90,458	506,550	4,106,507	26,651,113	15.4	557,620	7,364	6,456	
2004	3,418,933	124,009	3,071	128,345	84,456	502,740	4,261,554	28,839,355	14.8	554,239	7,689	6,782	
2005	3,632,198	117,525	2,815	120,760	76,390	498,740	4,448,428	N/A	N/A	550,521	8,080	7,174	

Note: There are no business type activities with outstanding debt

* Tobacco bonds are not supported by general tax revenues and are not included in the 'Tax Supported Debt' Per Capita calculation.

Legal Debt Margin Information

Exhibit S-3C

Last Ten Fiscal Years
(dollars in thousands)

Debt Service Cost Margin Calculation for Fiscal Year 2005:

General fund revenue	\$ 4,844,459
Debt service cost limitation (17% of general fund revenue)	823,558
Debt expenditure applicable to limit:	
Principal	\$ 173,361
Interest	164,980
Subtotal for current year	<u>338,341</u>
Highest future year debt service cost	\$ 359,735
Total debt service cost subject to the limitation	<u>359,735</u>
Debt service cost margin	<u>\$ 463,823</u>

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt service cost limitation	\$ 507,012	\$ 530,194	\$ 573,851	\$ 608,902	\$ 688,754	\$ 718,024	\$ 622,331	\$ 627,516	\$ 735,472	\$ 823,558
Highest future year debt service cost	403,739	428,918	400,504	346,992	327,044	270,910	284,114	319,160	339,003	359,735
Debt service cost margin	\$ 103,273	\$ 101,276	\$ 173,347	\$ 261,910	\$ 361,710	\$ 447,114	\$ 338,217	\$ 308,356	\$ 396,469	\$ 463,823

Total debt service cost subject to the limit as a percentage of debt service cost limit	79.6 %	80.9 %	69.8 %	57.0 %	47.5 %	37.7 %	45.7 %	50.9 %	46.1 %	43.7 %
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Debt limit ratio	11.1 %	11.3 %	15.8 %	12.7 %	9.7 %	6 %	7.8 %	8.6 %	7.8 %	7.4 %
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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. 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 Improvement Act of 1997, 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 Four 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%
2005	9,270	6,484	4,933		81.19%

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements. The debt service payment for FY 2005 includes \$5,557 paid out of the bond service reserve fund.