

DEBT CAPACITY ANALYSIS

FY11-16 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

MARCH 26, 2010

GO BOND 6 YR TOTAL = 1,950.0 MILLION

GO BOND FY11 TOTAL = 325.0 MILLION

GO BOND FY12 TOTAL = 325.0 MILLION

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 New GO Debt Issued (\$000s) | 310,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |
| 2 GO Debt/Assessed Value | 1.24% | 1.40% | 1.46% | 1.47% | 1.47% | 1.44% | 1.39% |
| 3 Debt Service + LTL + Short-Term Leases/Revenues (GF) | 8.75% | 9.40% | 10.24% | 11.07% | 11.53% | 11.58% | 11.49% |
| 4 \$ Debt/Capita | 2,239 | 2,498 | 2,639 | 2,762 | 2,872 | 2,969 | 3,058 |
| 5 \$ Real Debt/Capita (FY10=100%) | 2,239 | 2,446 | 2,528 | 2,583 | 2,617 | 2,632 | 2,632 |
| 6 Capita Debt/Capita Income | 3.11% | 3.49% | 3.56% | 3.57% | 3.55% | 3.53% | 3.53% |
| 7 Payout Ratio | 69.56% | 68.59% | 68.12% | 67.91% | 67.95% | 68.17% | 68.47% |
| 8 Total Debt Outstanding (\$000s) | 2,163,274 | 2,442,635 | 2,610,455 | 2,765,125 | 2,909,660 | 3,042,940 | 3,164,765 |
| 9 Real Debt Outstanding (FY10=100%) | 2,163,274 | 2,392,395 | 2,500,502 | 2,585,317 | 2,651,514 | 2,697,441 | 2,723,722 |
| 10 Note: OP/PSP Growth Assumption (2) | 4.6% | -0.3% | 2.9% | 3.6% | 4.2% | 5.1% | 4.1% |

Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY10 approved budget to FY11 budget for FY11 and budget to budget for FY12-16.