DEBT CAPACITY ANALYSIS (1)

FY07-12 Recommended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED WITH PSP ASSUMPTIONS AT MARCH 15, 2006

GO BOND 6 YR TOTAL = 1,458.0 MILLION

GO BOND FY07 TOTAL = 264.0 MILLION

GO BOND FY08 TOTAL = 264.0 MILLION

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
1 New GO Debt Issued ($000s)	200,000	200,000	264,000	264,000	235,000	235,000	230,000	230,000
2 GO Debt/Assessed Value	1.39%	1.44%	1.37%	1.30%	1.22%	1.16%	1.10%	1.04%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	9.01%	9.31%	9.08%	9.41%	9.27%	9.18%	8.97%	8.76%
4 $ Debt/Capita	1,504	1,725	1,843	1,943	2,020	2,084	2,142	2,192
5 $ Real Debt/Capita (FY06=100%)	1,544	1,725	1,796	1,846	1,868	1,877	1,878	1,872
6 Capita Debt/Capita Income	2.61%	2.88%	2.87%	2.94%	2.96%	2.98%	2.97%	2.94%
7 Payout Ratio	70.20%	69.57%	68.65%	67.95%	68.13%	68.44%	68.91%	69.45%
8 Total Debt Outstanding ($000s)	1,416,406	1,643,888	1,776,678	1,896,538	1,995,351	2,083,814	2,158,670	2,226,745
9 Real Debt Outstanding (FY06=100%)	1,454,216	1,643,888	1,731,655	1,801,635	1,845,670	1,876,823	1,893,129	1,901,490
10 Note: OP/PSP Growth Assumption (2)			4.3%	7.2%	6.5%	5.7%	6.0%	5.9%

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 FY06 estimate to FY07 budget for FY07 and budget to budget for FY08-12.