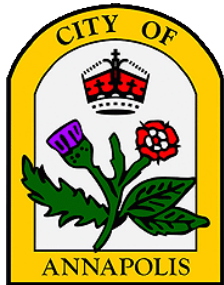


Debt Capacity Update

City of Annapolis, Maryland

April 2026



Member NYSE | FINRA | SIPC

Existing Tax-Supported Debt Service



Existing Debt Service:

- The chart below shows the City’s existing tax-supported debt service, which includes debt service paid for by the General Fund, Fleet, and Transportation Fund.

| Fiscal Year | Total | | | Existing General Fund | | | Existing Fleet Fund | | | Existing Transportation Fund | | |
|--------------|---------------------|---------------------|----------------------|-----------------------|---------------------|---------------------|---------------------|-----------------|--------------------|------------------------------|--------------------|--------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$6,857,379 | \$2,920,507 | \$9,777,886 | \$6,287,797 | \$2,802,372 | \$9,090,168 | \$526,358 | \$29,672 | \$556,031 | \$43,224 | \$88,463 | \$131,687 |
| 2028 | 7,533,859 | 2,532,588 | 10,066,446 | 7,175,131 | 2,431,801 | 9,606,932 | 309,262 | 18,936 | 328,198 | 49,466 | 81,851 | 131,317 |
| 2029 | 6,275,497 | 2,289,357 | 8,564,853 | 5,906,900 | 2,200,054 | 8,106,954 | 318,302 | 9,895 | 328,198 | 50,294 | 79,407 | 129,702 |
| 2030 | 5,027,656 | 2,084,962 | 7,112,618 | 4,951,120 | 2,007,505 | 6,958,624 | 25,414 | 585 | 25,999 | 51,123 | 76,872 | 127,994 |
| 2031 | 5,203,426 | 1,897,802 | 7,101,228 | 5,125,258 | 1,823,321 | 6,948,579 | 25,803 | 196 | 25,999 | 52,365 | 74,285 | 126,650 |
| 2032 | 4,877,694 | 1,711,779 | 6,589,473 | 4,819,087 | 1,640,268 | 6,459,355 | | | | 58,607 | 71,511 | 130,118 |
| 2033 | 4,609,781 | 1,540,256 | 6,150,038 | 4,549,932 | 1,471,707 | 6,021,639 | | | | 59,849 | 68,549 | 128,399 |
| 2034 | 3,921,979 | 1,388,466 | 5,310,445 | 3,860,697 | 1,322,943 | 5,183,640 | | | | 61,282 | 65,523 | 126,806 |
| 2035 | 3,667,159 | 1,249,884 | 4,917,043 | 3,599,628 | 1,187,577 | 4,787,204 | | | | 67,531 | 62,308 | 129,839 |
| 2036 | 3,788,251 | 1,112,177 | 4,900,427 | 3,719,482 | 1,053,272 | 4,772,754 | | | | 68,769 | 58,905 | 127,673 |
| 2037 | 3,126,150 | 984,751 | 4,110,901 | 3,056,136 | 929,013 | 3,985,150 | | | | 70,014 | 55,738 | 125,751 |
| 2038 | 2,943,925 | 865,695 | 3,809,620 | 2,867,869 | 813,309 | 3,681,178 | | | | 76,056 | 52,387 | 128,442 |
| 2039 | 3,001,791 | 739,921 | 3,741,712 | 2,924,079 | 691,378 | 3,615,457 | | | | 77,712 | 48,542 | 126,255 |
| 2040 | 3,129,485 | 620,505 | 3,749,990 | 3,045,116 | 575,593 | 3,620,710 | | | | 84,369 | 44,912 | 129,281 |
| 2041 | 3,067,468 | 508,967 | 3,576,436 | 2,981,858 | 467,424 | 3,449,281 | | | | 85,611 | 41,544 | 127,155 |
| 2042 | 3,080,532 | 399,515 | 3,480,048 | 2,988,265 | 361,463 | 3,349,729 | | | | 92,267 | 38,052 | 130,319 |
| 2043 | 2,545,389 | 295,017 | 2,840,406 | 2,451,880 | 260,612 | 2,712,492 | | | | 93,509 | 34,405 | 127,914 |
| 2044 | 1,783,071 | 209,752 | 1,992,823 | 1,687,492 | 179,297 | 1,866,789 | | | | 95,580 | 30,455 | 126,035 |
| 2045 | 1,855,767 | 137,045 | 1,992,813 | 1,753,117 | 110,971 | 1,864,089 | | | | 102,650 | 26,074 | 128,724 |
| 2046 | 1,928,496 | 61,403 | 1,989,899 | 1,823,775 | 39,913 | 1,863,689 | | | | 104,720 | 21,490 | 126,210 |
| 2047 | 76,258 | 21,324 | 97,581 | 29,467 | 3,322 | 32,789 | | | | 46,791 | 18,002 | 64,793 |
| 2048 | 79,451 | 18,214 | 97,664 | 30,175 | 2,613 | 32,789 | | | | 49,275 | 15,600 | 64,876 |
| 2049 | 82,660 | 14,963 | 97,623 | 30,900 | 1,888 | 32,789 | | | | 51,760 | 13,075 | 64,834 |
| 2050 | 86,302 | 11,559 | 97,861 | 31,643 | 1,145 | 32,789 | | | | 54,658 | 10,414 | 65,072 |
| 2051 | 89,547 | 8,004 | 97,550 | 32,404 | 385 | 32,789 | | | | 57,143 | 7,619 | 64,762 |
| 2052 | 60,455 | 4,679 | 65,135 | | | | | | | 60,455 | 4,679 | 65,135 |
| 2053 | 63,354 | 1,584 | 64,938 | | | | | | | 63,354 | 1,584 | 64,938 |
| Total | \$78,762,784 | \$23,630,675 | \$102,393,460 | \$75,729,209 | \$22,379,145 | \$98,108,354 | \$1,205,140 | \$59,285 | \$1,264,425 | \$1,828,435 | \$1,192,246 | \$3,020,681 |

Estimated New Debt Service (FY 2027-2029)



Estimated New Debt Service:

- The chart below shows the City's estimated new debt service based on the preliminary FY 2027-2032 CIP provided to us by the City on April 8, 2026.

| Fiscal Year | Total | | | Fiscal Year 2027 Bond Issue | | | Fiscal Year 2028 Bond Issue | | | Fiscal Year 2029 Bond Issue | | |
|--------------|---------------------|---------------------|----------------------|-----------------------------|---------------------|---------------------|-----------------------------|---------------------|---------------------|-----------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2028 | 694,184 | 979,989 | 1,674,173 | 694,184 | 979,989 | 1,674,173 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 1,794,948 | 2,716,995 | 4,511,942 | 725,422 | 948,751 | 1,674,173 | 1,069,525 | 1,768,244 | 2,837,769 | 0 | 0 | 0 |
| 2030 | 2,387,105 | 3,467,504 | 5,854,609 | 758,066 | 916,107 | 1,674,173 | 1,123,002 | 1,714,767 | 2,837,769 | 506,037 | 836,629 | 1,342,666 |
| 2031 | 2,841,632 | 3,912,344 | 6,753,976 | 792,179 | 881,994 | 1,674,173 | 1,179,152 | 1,658,617 | 2,837,769 | 531,339 | 811,328 | 1,342,666 |
| 2032 | 3,132,270 | 4,026,381 | 7,158,651 | 827,827 | 846,346 | 1,674,173 | 1,238,109 | 1,599,660 | 2,837,769 | 557,906 | 784,761 | 1,342,666 |
| 2033 | 3,438,613 | 4,128,297 | 7,566,911 | 865,080 | 809,094 | 1,674,173 | 1,300,015 | 1,537,754 | 2,837,769 | 585,801 | 756,865 | 1,342,666 |
| 2034 | 3,606,218 | 3,960,692 | 7,566,911 | 904,008 | 770,165 | 1,674,173 | 1,365,015 | 1,472,754 | 2,837,769 | 615,091 | 727,575 | 1,342,666 |
| 2035 | 3,782,009 | 3,784,901 | 7,566,911 | 944,689 | 729,485 | 1,674,173 | 1,433,266 | 1,404,503 | 2,837,769 | 645,845 | 696,821 | 1,342,666 |
| 2036 | 3,966,386 | 3,600,524 | 7,566,911 | 987,200 | 686,974 | 1,674,173 | 1,504,930 | 1,332,840 | 2,837,769 | 678,138 | 664,529 | 1,342,666 |
| 2037 | 4,159,770 | 3,407,141 | 7,566,911 | 1,031,623 | 642,550 | 1,674,173 | 1,580,176 | 1,257,593 | 2,837,769 | 712,045 | 630,622 | 1,342,666 |
| 2038 | 4,362,600 | 3,204,310 | 7,566,911 | 1,078,047 | 596,127 | 1,674,173 | 1,659,185 | 1,178,584 | 2,837,769 | 747,647 | 595,019 | 1,342,666 |
| 2039 | 4,575,340 | 2,991,571 | 7,566,911 | 1,126,559 | 547,615 | 1,674,173 | 1,742,144 | 1,095,625 | 2,837,769 | 785,029 | 557,637 | 1,342,666 |
| 2040 | 4,798,474 | 2,768,437 | 7,566,911 | 1,177,254 | 496,920 | 1,674,173 | 1,829,251 | 1,008,518 | 2,837,769 | 824,281 | 518,386 | 1,342,666 |
| 2041 | 5,032,511 | 2,534,399 | 7,566,911 | 1,230,230 | 443,943 | 1,674,173 | 1,920,714 | 917,055 | 2,837,769 | 865,495 | 477,172 | 1,342,666 |
| 2042 | 5,277,986 | 2,288,925 | 7,566,911 | 1,285,591 | 388,583 | 1,674,173 | 2,016,749 | 821,020 | 2,837,769 | 908,769 | 433,897 | 1,342,666 |
| 2043 | 5,535,457 | 2,031,453 | 7,566,911 | 1,343,442 | 330,731 | 1,674,173 | 2,117,587 | 720,182 | 2,837,769 | 954,208 | 388,458 | 1,342,666 |
| 2044 | 5,805,513 | 1,761,398 | 7,566,911 | 1,403,897 | 270,276 | 1,674,173 | 2,223,466 | 614,303 | 2,837,769 | 1,001,918 | 340,748 | 1,342,666 |
| 2045 | 6,088,769 | 1,478,142 | 7,566,911 | 1,467,072 | 207,101 | 1,674,173 | 2,334,640 | 503,129 | 2,837,769 | 1,052,014 | 290,652 | 1,342,666 |
| 2046 | 6,385,872 | 1,181,038 | 7,566,911 | 1,533,091 | 141,083 | 1,674,173 | 2,451,372 | 386,397 | 2,837,769 | 1,104,615 | 238,051 | 1,342,666 |
| 2047 | 6,697,500 | 869,410 | 7,566,911 | 1,602,080 | 72,094 | 1,674,173 | 2,573,940 | 263,829 | 2,837,769 | 1,159,846 | 182,821 | 1,342,666 |
| 2048 | 5,350,192 | 542,546 | 5,892,737 | | | | 2,702,637 | 135,132 | 2,837,769 | 1,217,838 | 124,828 | 1,342,666 |
| 2049 | 2,779,932 | 275,036 | 3,054,968 | | | | | | | 1,278,730 | 63,936 | 1,342,666 |
| 2050 | 1,576,263 | 136,039 | 1,712,302 | | | | | | | | | |
| 2051 | 755,708 | 57,226 | 812,935 | | | | | | | | | |
| 2052 | 388,819 | 19,441 | 408,260 | | | | | | | | | |
| Total | \$95,214,071 | \$56,124,140 | \$151,338,211 | \$21,777,540 | \$11,705,926 | \$33,483,466 | \$35,364,875 | \$21,390,506 | \$56,755,381 | \$16,732,588 | \$10,120,735 | \$26,853,323 |

Note: New Debt Service assumes an interest rate of 4.5% for bonds in fiscal 2027 and 5.0% thereafter. Total Column reflects Fiscal Years 2027-2032.



Estimated New Debt Service (FY 2030-2032)



Estimated New Debt Service:

- The chart below shows the City's estimated new debt service based on the preliminary FY 2027-2032 CIP provided to us by the City on April 8, 2026.

| Fiscal Year | Total | | | Fiscal Year 2030 Bond Issue | | | Fiscal Year 2031 Bond Issue | | | Fiscal Year 2032 Bond Issue | | |
|--------------|---------------------|---------------------|----------------------|-----------------------------|--------------------|---------------------|-----------------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2028 | 694,184 | 979,989 | 1,674,173 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 1,794,948 | 2,716,995 | 4,511,942 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2030 | 2,387,105 | 3,467,504 | 5,854,609 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 2,841,632 | 3,912,344 | 6,753,976 | 338,962 | 560,405 | 899,367 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2032 | 3,132,270 | 4,026,381 | 7,158,651 | 355,910 | 543,457 | 899,367 | 152,518 | 252,157 | 404,675 | 0 | 0 | 0 |
| 2033 | 3,438,613 | 4,128,297 | 7,566,911 | 373,706 | 525,662 | 899,367 | 160,144 | 244,531 | 404,675 | 153,869 | 254,391 | 408,260 |
| 2034 | 3,606,218 | 3,960,692 | 7,566,911 | 392,391 | 506,976 | 899,367 | 168,151 | 236,524 | 404,675 | 161,562 | 246,697 | 408,260 |
| 2035 | 3,782,009 | 3,784,901 | 7,566,911 | 412,011 | 487,357 | 899,367 | 176,558 | 228,117 | 404,675 | 169,640 | 238,619 | 408,260 |
| 2036 | 3,966,386 | 3,600,524 | 7,566,911 | 432,611 | 466,756 | 899,367 | 185,386 | 219,289 | 404,675 | 178,122 | 230,137 | 408,260 |
| 2037 | 4,159,770 | 3,407,141 | 7,566,911 | 454,242 | 445,126 | 899,367 | 194,656 | 210,019 | 404,675 | 187,028 | 221,231 | 408,260 |
| 2038 | 4,362,600 | 3,204,310 | 7,566,911 | 476,954 | 422,414 | 899,367 | 204,388 | 200,287 | 404,675 | 196,380 | 211,880 | 408,260 |
| 2039 | 4,575,340 | 2,991,571 | 7,566,911 | 500,801 | 398,566 | 899,367 | 214,608 | 190,067 | 404,675 | 206,199 | 202,061 | 408,260 |
| 2040 | 4,798,474 | 2,768,437 | 7,566,911 | 525,841 | 373,526 | 899,367 | 225,338 | 179,337 | 404,675 | 216,509 | 191,751 | 408,260 |
| 2041 | 5,032,511 | 2,534,399 | 7,566,911 | 552,133 | 347,234 | 899,367 | 236,605 | 168,070 | 404,675 | 227,334 | 180,925 | 408,260 |
| 2042 | 5,277,986 | 2,288,925 | 7,566,911 | 579,740 | 319,627 | 899,367 | 248,435 | 156,240 | 404,675 | 238,701 | 169,559 | 408,260 |
| 2043 | 5,535,457 | 2,031,453 | 7,566,911 | 608,727 | 290,640 | 899,367 | 260,857 | 143,818 | 404,675 | 250,636 | 157,624 | 408,260 |
| 2044 | 5,805,513 | 1,761,398 | 7,566,911 | 639,164 | 260,204 | 899,367 | 273,900 | 130,775 | 404,675 | 263,168 | 145,092 | 408,260 |
| 2045 | 6,088,769 | 1,478,142 | 7,566,911 | 671,122 | 228,246 | 899,367 | 287,595 | 117,080 | 404,675 | 276,326 | 131,933 | 408,260 |
| 2046 | 6,385,872 | 1,181,038 | 7,566,911 | 704,678 | 194,689 | 899,367 | 301,975 | 102,700 | 404,675 | 290,142 | 118,117 | 408,260 |
| 2047 | 6,697,500 | 869,410 | 7,566,911 | 739,912 | 159,456 | 899,367 | 317,074 | 87,602 | 404,675 | 304,650 | 103,610 | 408,260 |
| 2048 | 5,350,192 | 542,546 | 5,892,737 | 776,907 | 122,460 | 899,367 | 332,927 | 71,748 | 404,675 | 319,882 | 88,378 | 408,260 |
| 2049 | 2,779,932 | 275,036 | 3,054,968 | 815,753 | 83,615 | 899,367 | 349,574 | 55,102 | 404,675 | 335,876 | 72,383 | 408,260 |
| 2050 | 1,576,263 | 136,039 | 1,712,302 | 856,540 | 42,827 | 899,367 | 367,052 | 37,623 | 404,675 | 352,670 | 55,590 | 408,260 |
| 2051 | 755,708 | 57,226 | 812,935 | | | | 385,405 | 19,270 | 404,675 | 370,303 | 37,956 | 408,260 |
| 2052 | 388,819 | 19,441 | 408,260 | | | | | | | 388,819 | 19,441 | 408,260 |
| Total | \$95,214,071 | \$56,124,140 | \$151,338,211 | \$11,208,104 | \$6,779,241 | \$17,987,345 | \$5,043,147 | \$3,050,356 | \$8,093,503 | \$5,087,817 | \$3,077,375 | \$8,165,192 |

Note: New Debt Service assumes an interest rate of 4.5% for bonds in fiscal 2027 and 5.0% thereafter. Total Column reflects Fiscal Years 2027-2032.

Debt Service Policy Compliance



Existing and Estimated New Debt Service:

- The chart below shows the City’s existing debt and estimated new debt service based on the preliminary FY 2027-2032 CIP provided to us by the City on April 8, 2026.
- Expenditures are based on the preliminary FY 2027 General Fund Expenditures amount of \$125,232,100 and increasing 1% annually thereafter.

| Existing Debt Service And FY 2027-2032 Estimated Debt Service as a Percentage of Estimated General Fund Expenditures | | | | | | | | | | | |
|--|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|----------------------|---------------------------|---------------------------|
| Fiscal Year | Existing Debt Service | FY 2027 New Debt Service | FY 2028 New Debt Service | FY 2029 New Debt Service | FY 2030 New Debt Service | FY 2031 New Debt Service | FY 2032 New Debt Service | Total New Debt Service | Total Debt Service | General Fund Expenditures | Debt Service as % of Exp. |
| 2027 | \$9,777,886 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,777,886 | \$125,232,100 | 7.81% |
| 2028 | 10,066,446 | 1,674,173 | 0 | 0 | 0 | 0 | 0 | 1,674,173 | 11,740,620 | 126,484,421 | 9.28% |
| 2029 | 8,564,853 | 1,674,173 | 2,837,769 | 0 | 0 | 0 | 0 | 4,511,942 | 13,076,796 | 127,749,265 | 10.24% |
| 2030 | 7,112,618 | 1,674,173 | 2,837,769 | 1,342,666 | 0 | 0 | 0 | 5,854,609 | 12,967,227 | 129,026,758 | 10.05% |
| 2031 | 7,101,228 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 0 | 0 | 6,753,976 | 13,855,204 | 130,317,025 | 10.63% |
| 2032 | 6,589,473 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 0 | 7,158,651 | 13,748,124 | 131,620,196 | 10.45% |
| 2033 | 6,150,038 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 13,716,948 | 132,936,398 | 10.32% |
| 2034 | 5,310,445 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 12,877,356 | 134,265,762 | 9.59% |
| 2035 | 4,917,043 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 12,483,954 | 135,608,419 | 9.21% |
| 2036 | 4,900,427 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 12,467,338 | 136,964,503 | 9.10% |
| 2037 | 4,110,901 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,677,812 | 138,334,148 | 8.44% |
| 2038 | 3,809,620 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,376,531 | 139,717,490 | 8.14% |
| 2039 | 3,741,712 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,308,622 | 141,114,665 | 8.01% |
| 2040 | 3,749,990 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,316,901 | 142,525,812 | 7.94% |
| 2041 | 3,576,436 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,143,346 | 143,951,070 | 7.74% |
| 2042 | 3,480,048 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 11,046,958 | 145,390,580 | 7.60% |
| 2043 | 2,840,406 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 10,407,317 | 146,844,486 | 7.09% |
| 2044 | 1,992,823 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 9,559,734 | 148,312,931 | 6.45% |
| 2045 | 1,992,813 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 9,559,723 | 149,796,060 | 6.38% |
| 2046 | 1,989,899 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 9,556,809 | 151,294,021 | 6.32% |
| 2047 | 97,581 | 1,674,173 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 7,566,911 | 7,664,492 | 152,806,961 | 5.02% |
| 2048 | 97,664 | 0 | 2,837,769 | 1,342,666 | 899,367 | 404,675 | 408,260 | 5,892,737 | 5,990,402 | 154,335,031 | 3.88% |
| 2049 | 97,623 | 0 | 0 | 1,342,666 | 899,367 | 404,675 | 408,260 | 3,054,968 | 3,152,591 | 155,878,381 | 2.02% |
| 2050 | 97,861 | 0 | 0 | 0 | 899,367 | 404,675 | 408,260 | 1,712,302 | 1,810,163 | 157,437,165 | 1.15% |
| 2051 | 97,550 | 0 | 0 | 0 | 0 | 404,675 | 408,260 | 812,935 | 910,485 | 159,011,536 | 0.57% |
| 2052 | 65,135 | 0 | 0 | 0 | 0 | 0 | 408,260 | 408,260 | 473,394 | 160,601,652 | 0.29% |
| 2053 | 64,938 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 64,938 | 162,207,668 | 0.04% |
| Total | \$102,393,460 | \$33,483,466 | \$56,755,381 | \$26,853,323 | \$17,987,345 | \$8,093,503 | \$8,165,192 | \$151,338,211 | \$253,731,671 | | |

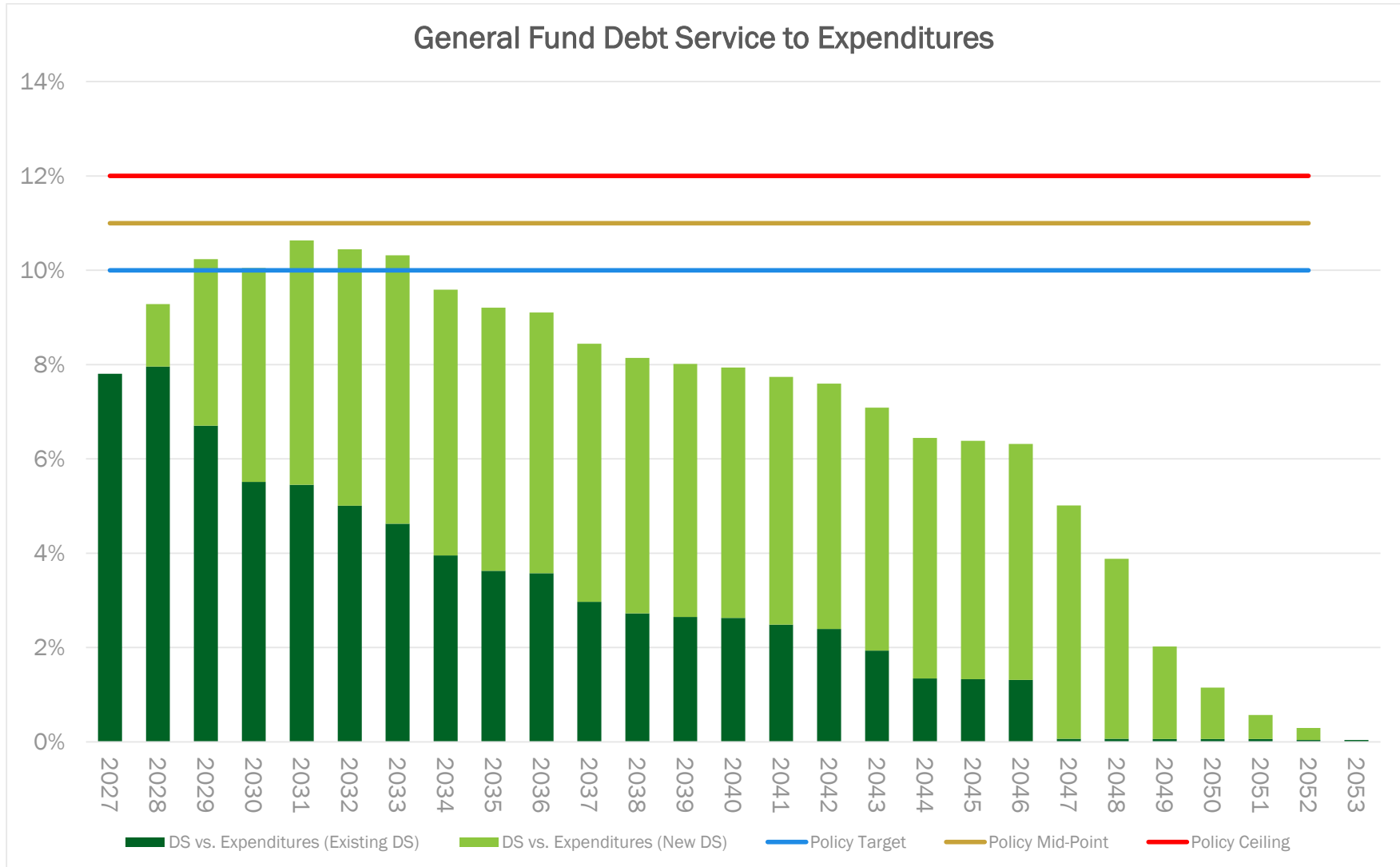
Note: Existing debt service includes the General Fund, Fleet and Transportation Fund. New Debt Service assumes an interest rate of 4.5% for bonds in fiscal 2027 and 5.0% thereafter.

Debt Service Policy Compliance (continued)



Existing and Estimated New Debt Service:

- The bar chart below shows how the City would comply with the target 10% General Fund Debt Service to Expenditures policy and the ceiling 12% General Fund Debt Service to Expenditures policy.



Debt Capacity



Current Debt Capacity Available (Without Planned FY 2027-2032 Borrowing)*

- Assuming a 20-year amortization with level payment structure issued at 5.00%, Annapolis could issue up to the amounts shown below without exceeding the respective policy limit:

| Future Debt Capacity - 10.00% Policy Target | | | | | | | |
|---|--------------|--------------|--------------|-------------|-------------|-------------|--------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$32,177,373 | \$19,967,669 | \$19,165,434 | \$1,028,333 | \$7,262,569 | \$6,297,532 | \$85,898,909 |

| Future Debt Capacity - 11.00% Policy Midpoint | | | | | | | |
|---|--------------|--------------|--------------|-------------|-------------|-------------|---------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$47,940,127 | \$19,967,669 | \$19,165,434 | \$1,028,333 | \$7,262,569 | \$6,297,532 | \$101,661,664 |

| Future Debt Capacity - 12.00% Policy Ceiling | | | | | | | |
|--|--------------|--------------|--------------|-------------|-------------|-------------|---------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$63,702,882 | \$19,967,669 | \$19,165,434 | \$1,028,333 | \$7,262,569 | \$6,297,532 | \$117,424,419 |

*Assumes preliminary FY 2027 General Fund Expenditure Budget and 1% annual growth thereafter.

Proposed Borrowing



Proposed Borrowing

- The Following is the City’s preliminary CIP and borrowing for fiscal years 2027-2032:

| City Preliminary CIP and Borrowing FY 2027-2032 | | | | | | | |
|---|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total** |
| Proposed CIP Amount | \$14,277,540 | \$27,864,875 | \$16,732,588 | \$11,208,104 | \$5,043,147 | \$5,087,817 | \$80,214,071 |
| Borrowing Amount* | \$21,777,540 | \$35,364,875 | \$16,732,588 | \$11,208,104 | \$5,043,147 | \$5,087,817 | \$95,214,071 |

* The amount for fiscal year 2027 includes the \$14,277,540 from the 2027 CIP and an additional \$7,500,000 in prior approved but unissued bonds. Similarly, the amount for fiscal year 2028 includes the \$27,864,875 from the 2027 CIP and an additional \$7,500,000 in prior approved but unissued bonds.

** Totals may not add due to rounding.

Note: The City reports that prior approved but unissued bonds currently total \$91,470,167 of which we assume \$15,000,000 will be issued between fiscal year 2027 and fiscal year 2028.

Additional Debt Capacity Beyond 2027-2032 CIP



Additional Debt Capacity Available*

- The capacity levels below take into account the City’s existing debt and estimated new debt service based on the preliminary Borrowing Amounts for fiscal years 2027-2032.
- Assuming a 20-year amortization with level payment structure issued at 5.00%, Annapolis could issue up to the amounts shown below without exceeding the respective policy limit:

| Future Debt Capacity - 10.00% Policy Target | | | | | | | |
|---|------|------|------|------|------|------|-------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Future Debt Capacity - 11.00% Policy Midpoint | | | | | | | |
|---|-------------|------|------|------|-------------|-------------|--------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$5,801,930 | \$0 | \$0 | \$0 | \$3,061,117 | \$2,101,841 | \$10,964,888 |

| Future Debt Capacity - 12.00% Policy Ceiling | | | | | | | |
|--|--------------|------|------|------|-------------|-------------|--------------|
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total |
| Annual Debt Service vs. Expenditures | \$21,564,685 | \$0 | \$0 | \$0 | \$3,061,117 | \$2,101,841 | \$26,727,642 |

*Assumes preliminary FY 2027 General Fund Expenditure Budget and 1% annual growth thereafter.

Appendix: City Debt (All Funds)



Existing Self-Supported Debt Service



Existing Debt Service:

- The chart below and on the following page shows the City's total self-supported debt service (excludes tax-supported debt service shown on earlier).

| Fiscal Year | Total Self-Supported Debt | | | Existing Water Fund | | | Existing Sewer Fund | | |
|--------------|---------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$4,936,513 | \$3,529,464 | \$8,465,977 | \$2,445,029 | \$1,462,258 | \$3,907,287 | \$752,101 | \$646,857 | \$1,398,959 |
| 2028 | 5,123,514 | 3,305,511 | 8,429,025 | 2,529,000 | 1,374,501 | 3,903,501 | 738,668 | 601,816 | 1,340,483 |
| 2029 | 4,865,524 | 3,150,171 | 8,015,695 | 2,590,810 | 1,314,550 | 3,905,360 | 767,437 | 575,713 | 1,343,150 |
| 2030 | 4,922,844 | 2,998,236 | 7,921,080 | 2,616,123 | 1,252,903 | 3,869,026 | 834,788 | 548,039 | 1,382,827 |
| 2031 | 5,084,806 | 2,843,756 | 7,928,563 | 2,675,197 | 1,190,208 | 3,865,405 | 849,548 | 519,682 | 1,369,230 |
| 2032 | 5,184,297 | 2,687,992 | 7,872,288 | 2,823,251 | 1,128,174 | 3,951,425 | 818,198 | 491,856 | 1,310,053 |
| 2033 | 5,366,858 | 2,529,040 | 7,895,897 | 2,889,476 | 1,064,032 | 3,953,508 | 851,186 | 463,336 | 1,314,522 |
| 2034 | 5,389,395 | 2,369,510 | 7,758,905 | 2,909,223 | 999,207 | 3,908,430 | 902,755 | 433,395 | 1,336,150 |
| 2035 | 5,194,037 | 2,213,359 | 7,407,396 | 2,974,289 | 933,428 | 3,907,717 | 932,883 | 402,055 | 1,334,938 |
| 2036 | 4,842,856 | 2,064,881 | 6,907,737 | 3,048,056 | 864,646 | 3,912,702 | 970,737 | 368,891 | 1,339,628 |
| 2037 | 4,999,957 | 1,928,340 | 6,928,297 | 3,122,969 | 796,121 | 3,919,090 | 1,009,089 | 336,596 | 1,345,685 |
| 2038 | 5,152,272 | 1,784,402 | 6,936,674 | 3,201,216 | 724,243 | 3,925,459 | 1,045,871 | 302,401 | 1,348,272 |
| 2039 | 5,294,586 | 1,623,813 | 6,918,400 | 3,273,954 | 645,682 | 3,919,637 | 1,082,811 | 263,769 | 1,346,580 |
| 2040 | 5,452,165 | 1,465,732 | 6,917,897 | 3,348,217 | 567,658 | 3,915,875 | 1,118,292 | 226,126 | 1,344,418 |
| 2041 | 5,584,546 | 1,311,205 | 6,895,751 | 3,427,154 | 490,620 | 3,917,774 | 1,144,164 | 189,764 | 1,333,928 |
| 2042 | 5,716,941 | 1,151,730 | 6,868,671 | 3,511,113 | 410,704 | 3,921,818 | 1,175,078 | 152,276 | 1,327,353 |
| 2043 | 5,827,636 | 987,244 | 6,814,880 | 3,599,917 | 327,830 | 3,927,747 | 1,211,228 | 113,466 | 1,324,694 |
| 2044 | 3,956,929 | 776,437 | 4,733,366 | 2,033,636 | 196,568 | 2,230,203 | 888,873 | 80,049 | 968,922 |
| 2045 | 4,104,233 | 637,865 | 4,742,097 | 2,094,372 | 136,242 | 2,230,614 | 927,510 | 52,172 | 979,683 |
| 2046 | 4,246,504 | 492,927 | 4,739,431 | 2,159,896 | 73,314 | 2,233,210 | 956,329 | 22,853 | 979,182 |
| 2047 | 1,383,742 | 390,254 | 1,773,997 | 397,618 | 36,139 | 433,757 | 82,915 | 6,868 | 89,783 |
| 2048 | 1,440,549 | 331,530 | 1,772,079 | 407,321 | 25,927 | 433,248 | 82,504 | 4,704 | 87,208 |
| 2049 | 1,502,340 | 270,256 | 1,772,596 | 417,016 | 15,532 | 432,548 | 87,083 | 2,549 | 89,633 |
| 2050 | 1,178,698 | 205,450 | 1,384,148 | 121,704 | 4,447 | 126,151 | 1,653 | 167 | 1,820 |
| 2051 | 1,235,453 | 148,456 | 1,383,909 | 126,384 | 1,501 | 127,885 | 6,212 | 74 | 6,286 |
| 2052 | 1,164,545 | 90,196 | 1,254,740 | | | | | | |
| 2053 | 1,221,646 | 30,541 | 1,252,187 | | | | | | |
| Total | \$110,373,386 | \$41,318,298 | \$151,691,684 | \$58,742,941 | \$16,036,436 | \$74,779,377 | \$19,237,912 | \$6,805,474 | \$26,043,386 |

Existing Self-Supported Debt Service (continued)



Existing Debt Service:

| Fiscal Year | Existing Parking Fund | | | Existing Watershed Fund | | | Existing Refuse Fund | | |
|--------------|-----------------------|---------------------|---------------------|-------------------------|--------------------|--------------------|----------------------|-----------------|------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$1,564,155 | \$1,166,614 | \$2,730,769 | \$142,003 | \$240,197 | \$382,199 | \$33,225 | \$13,537 | \$46,763 |
| 2028 | 1,657,758 | 1,102,164 | 2,759,922 | 163,238 | 215,047 | 378,285 | 34,850 | 11,984 | 46,834 |
| 2029 | 1,291,929 | 1,042,738 | 2,334,667 | 178,990 | 206,733 | 385,723 | 36,358 | 10,436 | 46,794 |
| 2030 | 1,275,995 | 990,060 | 2,266,055 | 174,197 | 198,094 | 372,291 | 21,740 | 9,141 | 30,881 |
| 2031 | 1,357,207 | 936,515 | 2,293,722 | 180,000 | 189,325 | 369,325 | 22,855 | 8,026 | 30,881 |
| 2032 | 1,328,048 | 880,966 | 2,209,014 | 190,772 | 180,142 | 370,914 | 24,027 | 6,854 | 30,881 |
| 2033 | 1,399,551 | 825,237 | 2,224,788 | 201,642 | 170,556 | 372,198 | 25,003 | 5,878 | 30,881 |
| 2034 | 1,341,967 | 771,200 | 2,113,168 | 209,686 | 160,590 | 370,276 | 25,764 | 5,117 | 30,881 |
| 2035 | 1,039,819 | 723,217 | 1,763,037 | 220,647 | 150,176 | 370,824 | 26,398 | 4,483 | 30,881 |
| 2036 | 570,487 | 687,980 | 1,258,467 | 226,661 | 139,398 | 366,059 | 26,915 | 3,966 | 30,881 |
| 2037 | 602,778 | 663,473 | 1,266,251 | 237,663 | 128,727 | 366,390 | 27,459 | 3,422 | 30,881 |
| 2038 | 628,512 | 637,391 | 1,265,903 | 248,659 | 117,499 | 366,158 | 28,013 | 2,867 | 30,881 |
| 2039 | 644,167 | 606,984 | 1,251,150 | 265,057 | 105,094 | 370,152 | 28,597 | 2,283 | 30,881 |
| 2040 | 680,003 | 576,930 | 1,256,933 | 276,442 | 93,349 | 369,790 | 29,212 | 1,669 | 30,881 |
| 2041 | 695,973 | 547,291 | 1,243,264 | 287,398 | 82,507 | 369,905 | 29,858 | 1,023 | 30,881 |
| 2042 | 701,459 | 517,072 | 1,218,531 | 298,754 | 71,334 | 370,088 | 30,537 | 344 | 30,881 |
| 2043 | 722,981 | 486,047 | 1,209,029 | 293,509 | 59,902 | 353,411 | | | |
| 2044 | 763,841 | 451,265 | 1,215,106 | 270,580 | 48,555 | 319,135 | | | |
| 2045 | 799,700 | 412,377 | 1,212,077 | 282,650 | 37,074 | 319,724 | | | |
| 2046 | 840,559 | 371,570 | 1,212,129 | 289,720 | 25,190 | 314,910 | | | |
| 2047 | 856,418 | 329,246 | 1,185,664 | 46,791 | 18,002 | 64,793 | | | |
| 2048 | 901,449 | 285,299 | 1,186,748 | 49,275 | 15,600 | 64,876 | | | |
| 2049 | 946,480 | 239,101 | 1,185,581 | 51,760 | 13,075 | 64,834 | | | |
| 2050 | 1,000,683 | 190,422 | 1,191,105 | 54,658 | 10,414 | 65,072 | | | |
| 2051 | 1,045,714 | 139,262 | 1,184,976 | 57,143 | 7,619 | 64,762 | | | |
| 2052 | 1,104,089 | 85,517 | 1,189,606 | 60,455 | 4,679 | 65,135 | | | |
| 2053 | 1,158,292 | 28,957 | 1,187,249 | 63,354 | 1,584 | 64,938 | | | |
| Total | \$26,920,016 | \$15,694,896 | \$42,614,912 | \$5,021,705 | \$2,690,463 | \$7,712,167 | \$450,812 | \$91,029 | \$541,841 |

Total Existing Debt Service



Existing Debt Service:

- The chart below shows the City's total existing debt service.

| Fiscal Year | Total | | | Existing Tax-Supported Debt | | | Existing Self-Supporting Debt | | |
|--------------|----------------------|---------------------|----------------------|-----------------------------|---------------------|----------------------|-------------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2027 | \$11,793,893 | \$6,449,971 | \$18,243,863 | \$6,857,379 | \$2,920,507 | \$9,777,886 | \$4,936,513 | \$3,529,464 | \$8,465,977 |
| 2028 | 12,657,373 | 5,838,099 | 18,495,472 | 7,533,859 | 2,532,588 | 10,066,446 | 5,123,514 | 3,305,511 | 8,429,025 |
| 2029 | 11,141,021 | 5,439,528 | 16,580,548 | 6,275,497 | 2,289,357 | 8,564,853 | 4,865,524 | 3,150,171 | 8,015,695 |
| 2030 | 9,950,500 | 5,083,198 | 15,033,698 | 5,027,656 | 2,084,962 | 7,112,618 | 4,922,844 | 2,998,236 | 7,921,080 |
| 2031 | 10,288,232 | 4,741,558 | 15,029,791 | 5,203,426 | 1,897,802 | 7,101,228 | 5,084,806 | 2,843,756 | 7,928,563 |
| 2032 | 10,061,991 | 4,399,770 | 14,461,761 | 4,877,694 | 1,711,779 | 6,589,473 | 5,184,297 | 2,687,992 | 7,872,288 |
| 2033 | 9,976,639 | 4,069,296 | 14,045,935 | 4,609,781 | 1,540,256 | 6,150,038 | 5,366,858 | 2,529,040 | 7,895,897 |
| 2034 | 9,311,374 | 3,757,976 | 13,069,350 | 3,921,979 | 1,388,466 | 5,310,445 | 5,389,395 | 2,369,510 | 7,758,905 |
| 2035 | 8,861,196 | 3,463,243 | 12,324,439 | 3,667,159 | 1,249,884 | 4,917,043 | 5,194,037 | 2,213,359 | 7,407,396 |
| 2036 | 8,631,107 | 3,177,058 | 11,808,164 | 3,788,251 | 1,112,177 | 4,900,427 | 4,842,856 | 2,064,881 | 6,907,737 |
| 2037 | 8,126,107 | 2,913,091 | 11,039,198 | 3,126,150 | 984,751 | 4,110,901 | 4,999,957 | 1,928,340 | 6,928,297 |
| 2038 | 8,096,197 | 2,650,097 | 10,746,294 | 2,943,925 | 865,695 | 3,809,620 | 5,152,272 | 1,784,402 | 6,936,674 |
| 2039 | 8,296,378 | 2,363,734 | 10,660,112 | 3,001,791 | 739,921 | 3,741,712 | 5,294,586 | 1,623,813 | 6,918,400 |
| 2040 | 8,581,650 | 2,086,237 | 10,667,887 | 3,129,485 | 620,505 | 3,749,990 | 5,452,165 | 1,465,732 | 6,917,897 |
| 2041 | 8,652,015 | 1,820,172 | 10,472,187 | 3,067,468 | 508,967 | 3,576,436 | 5,584,546 | 1,311,205 | 6,895,751 |
| 2042 | 8,797,473 | 1,551,245 | 10,348,718 | 3,080,532 | 399,515 | 3,480,048 | 5,716,941 | 1,151,730 | 6,868,671 |
| 2043 | 8,373,025 | 1,282,261 | 9,655,286 | 2,545,389 | 295,017 | 2,840,406 | 5,827,636 | 987,244 | 6,814,880 |
| 2044 | 5,740,000 | 986,189 | 6,726,189 | 1,783,071 | 209,752 | 1,992,823 | 3,956,929 | 776,437 | 4,733,366 |
| 2045 | 5,960,000 | 774,910 | 6,734,910 | 1,855,767 | 137,045 | 1,992,813 | 4,104,233 | 637,865 | 4,742,097 |
| 2046 | 6,175,000 | 554,330 | 6,729,330 | 1,928,496 | 61,403 | 1,989,899 | 4,246,504 | 492,927 | 4,739,431 |
| 2047 | 1,460,000 | 411,578 | 1,871,578 | 76,258 | 21,324 | 97,581 | 1,383,742 | 390,254 | 1,773,997 |
| 2048 | 1,520,000 | 349,744 | 1,869,744 | 79,451 | 18,214 | 97,664 | 1,440,549 | 331,530 | 1,772,079 |
| 2049 | 1,585,000 | 285,219 | 1,870,219 | 82,660 | 14,963 | 97,623 | 1,502,340 | 270,256 | 1,772,596 |
| 2050 | 1,265,000 | 217,009 | 1,482,009 | 86,302 | 11,559 | 97,861 | 1,178,698 | 205,450 | 1,384,148 |
| 2051 | 1,325,000 | 156,459 | 1,481,459 | 89,547 | 8,004 | 97,550 | 1,235,453 | 148,456 | 1,383,909 |
| 2052 | 1,225,000 | 94,875 | 1,319,875 | 60,455 | 4,679 | 65,135 | 1,164,545 | 90,196 | 1,254,740 |
| 2053 | 1,285,000 | 32,125 | 1,317,125 | 63,354 | 1,584 | 64,938 | 1,221,646 | 30,541 | 1,252,187 |
| Total | \$189,136,170 | \$64,948,974 | \$254,085,143 | \$78,762,784 | \$23,630,675 | \$102,393,460 | \$110,373,386 | \$41,318,298 | \$151,691,684 |

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