City of Carrollton
Debt Book

As of September 30, 2023 with Series 2024 and 2024 Defeasance included

PFM Financial Advisors LLC
111 Congress Ave
Suite 2150
Austin, TX 78701

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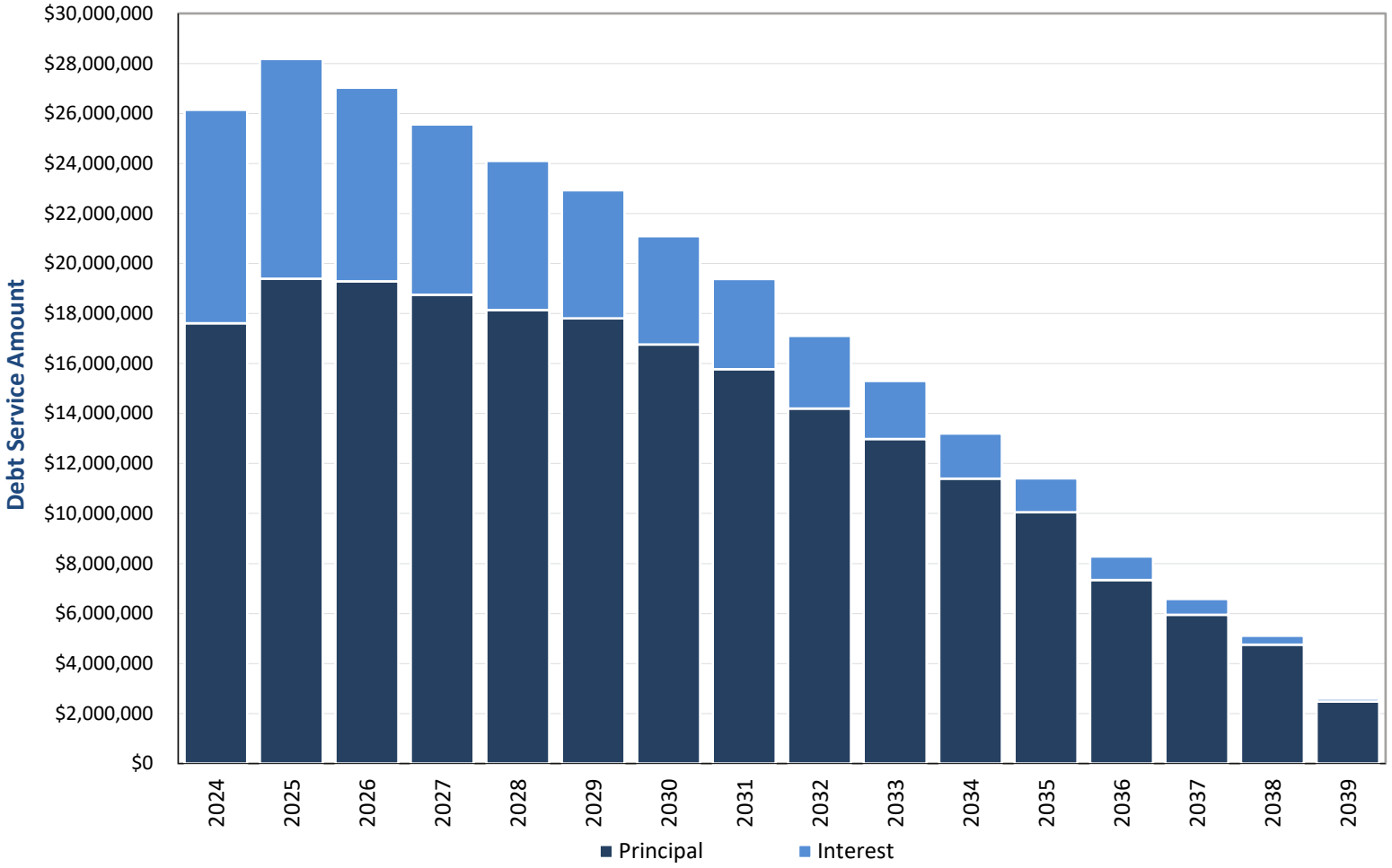
I. General Obligation Debt

Debt Service by Principal and Interest

City of Carrollton, Texas
Outstanding General Obligation Debt Service by Principal and Interest



Fiscal Year Ending September 30

City of Carrollton, Texas
Annual General Obligation Debt Service
By Principal and Interest

FYE	Principal	Interest	Debt Service
2024	$ 17,615,000.00	$ 8,525,876.27	$ 26,140,876.27
2025	19,390,000.00	8,794,640.85	28,184,640.85
2026	19,285,000.00	7,743,265.02	27,028,265.02
2027	18,750,000.00	6,812,915.02	25,562,915.02
2028	18,140,000.00	5,960,765.02	24,100,765.02
2029	17,805,000.00	5,121,958.76	22,926,958.76
2030	16,765,000.00	4,330,246.26	21,095,246.26
2031	15,775,000.00	3,601,877.50	19,376,877.50
2032	14,195,000.00	2,915,077.50	17,110,077.50
2033	12,980,000.00	2,317,215.00	15,297,215.00
2034	11,400,000.00	1,801,740.00	13,201,740.00
2035	10,055,000.00	1,352,570.00	11,407,570.00
2036	7,340,000.00	936,730.00	8,276,730.00
2037	5,945,000.00	638,620.00	6,583,620.00
2038	4,750,000.00	361,250.00	5,111,250.00
2039	2,475,000.00	123,750.00	2,598,750.00
Total	**$212,665,000.00**	**$61,338,497.20**	**$274,003,497.20**

Fiscal year is assumed to be October 1 through September 30.

City of Carrollton, Texas

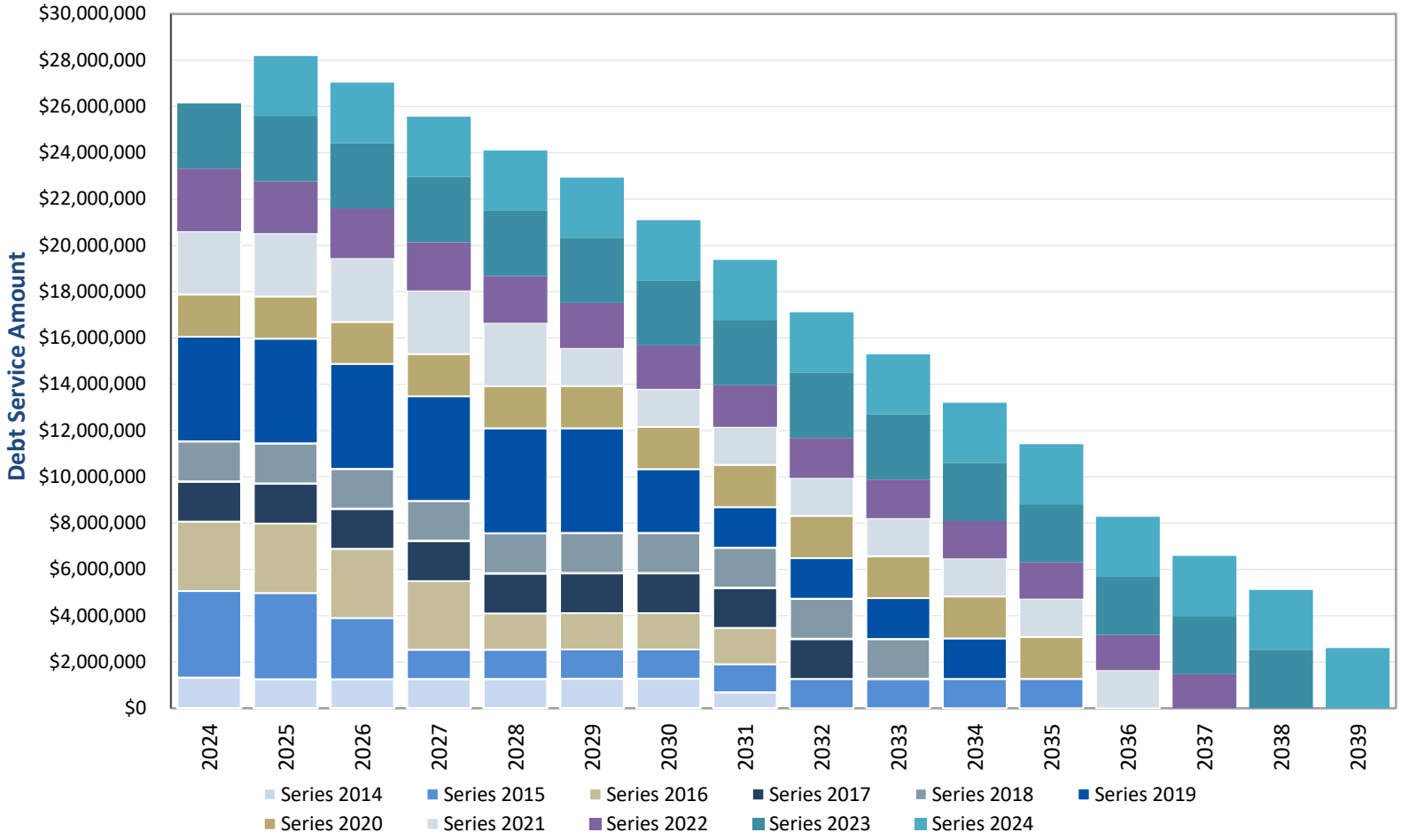
Semi-Annual General Obligation Debt Service

By Principal and Interest

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	4,476,028.76	4,476,028.76	-
8/15/2024	17,615,000.00	4,049,847.51	21,664,847.51	26,140,876.27
2/15/2025	-	4,499,643.34	4,499,643.34	-
8/15/2025	19,390,000.00	4,294,997.51	23,684,997.51	28,184,640.85
2/15/2026	-	3,871,632.51	3,871,632.51	-
8/15/2026	19,285,000.00	3,871,632.51	23,156,632.51	27,028,265.02
2/15/2027	-	3,406,457.51	3,406,457.51	-
8/15/2027	18,750,000.00	3,406,457.51	22,156,457.51	25,562,915.02
2/15/2028	-	2,980,382.51	2,980,382.51	-
8/15/2028	18,140,000.00	2,980,382.51	21,120,382.51	24,100,765.02
2/15/2029	-	2,560,979.38	2,560,979.38	-
8/15/2029	17,805,000.00	2,560,979.38	20,365,979.38	22,926,958.76
2/15/2030	-	2,165,123.13	2,165,123.13	-
8/15/2030	16,765,000.00	2,165,123.13	18,930,123.13	21,095,246.26
2/15/2031	-	1,800,938.75	1,800,938.75	-
8/15/2031	15,775,000.00	1,800,938.75	17,575,938.75	19,376,877.50
2/15/2032	-	1,457,538.75	1,457,538.75	-
8/15/2032	14,195,000.00	1,457,538.75	15,652,538.75	17,110,077.50
2/15/2033	-	1,158,607.50	1,158,607.50	-
8/15/2033	12,980,000.00	1,158,607.50	14,138,607.50	15,297,215.00
2/15/2034	-	900,870.00	900,870.00	-
8/15/2034	11,400,000.00	900,870.00	12,300,870.00	13,201,740.00
2/15/2035	-	676,285.00	676,285.00	-
8/15/2035	10,055,000.00	676,285.00	10,731,285.00	11,407,570.00
2/15/2036	-	468,365.00	468,365.00	-
8/15/2036	7,340,000.00	468,365.00	7,808,365.00	8,276,730.00
2/15/2037	-	319,310.00	319,310.00	-
8/15/2037	5,945,000.00	319,310.00	6,264,310.00	6,583,620.00
2/15/2038	-	180,625.00	180,625.00	-
8/15/2038	4,750,000.00	180,625.00	4,930,625.00	5,111,250.00
2/15/2039	-	61,875.00	61,875.00	-
8/15/2039	2,475,000.00	61,875.00	2,536,875.00	2,598,750.00
Total	**$212,665,000.00**	**$61,338,497.20**	**$274,003,497.20**	**$274,003,497.20**

Debt Service by Series

City of Carrollton, Texas
Outstanding General Obligation Debt Service by Series



Fiscal Year Ending September 30

City of Carrollton, Texas

Outstanding General Obligation Debt Service by Series

FYE	Series 2014	Series 2015	Series 2016	Series 2017	Series 2018	Series 2019
2024	1,333,537.51	3,734,961.26	2,993,050.00	1,733,550.00	1,733,962.50	4,527,850.00
2025	1,252,981.26	3,731,711.26	2,989,800.00	1,735,750.00	1,731,212.50	4,528,350.00
2026	1,257,531.26	2,645,981.26	2,980,800.00	1,730,950.00	1,735,712.50	4,526,100.00
2027	1,266,031.26	1,260,981.26	2,971,050.00	1,734,350.00	1,731,962.50	4,520,850.00
2028	1,268,331.26	1,263,981.26	1,564,600.00	1,732,100.00	1,735,212.50	4,527,350.00
2029	1,273,175.00	1,265,031.26	1,567,900.00	1,731,600.00	1,734,962.50	4,524,600.00
2030	1,275,312.50	1,265,181.26	1,564,850.00	1,732,400.00	1,735,962.50	2,762,600.00
2031	695,125.00	1,208,150.00	1,565,600.00	1,735,800.00	1,734,912.50	1,753,850.00
2032	-	1,265,650.00	-	1,731,600.00	1,735,537.50	1,754,600.00
2033	-	1,265,225.00	-	-	1,734,600.00	1,752,200.00
2034	-	1,260,850.00	-	-	-	1,752,400.00
2035	-	1,265,250.00	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
Total	**$9,622,025.05**	**$21,432,953.82**	**$18,197,650.00**	**$15,598,100.00**	**$17,344,037.50**	**$36,930,750.00**

City of Carrollton, Texas

Outstanding General Obligation Debt Service by Series

FYE	Series 2020	Series 2021	Series 2022	Series 2023	Series 2024	Total
2024	1,821,950.00	2,737,750.00	2,702,240.00	2,822,025.00	-	26,140,876.27
2025	1,819,200.00	2,741,000.00	2,232,240.00	2,823,250.00	2,599,145.83	28,184,640.85
2026	1,818,950.00	2,749,500.00	2,161,240.00	2,819,750.00	2,601,750.00	27,028,265.02
2027	1,820,950.00	2,742,750.00	2,090,240.00	2,822,750.00	2,601,000.00	25,562,915.02
2028	1,819,950.00	2,746,250.00	2,019,240.00	2,821,750.00	2,602,000.00	24,100,765.02
2029	1,820,950.00	1,644,250.00	1,948,240.00	2,816,750.00	2,599,500.00	22,926,958.76
2030	1,818,700.00	1,641,750.00	1,877,240.00	2,822,750.00	2,598,500.00	21,095,246.26
2031	1,818,200.00	1,641,250.00	1,806,240.00	2,819,000.00	2,598,750.00	19,376,877.50
2032	1,819,200.00	1,642,500.00	1,735,240.00	2,825,750.00	2,600,000.00	17,110,077.50
2033	1,822,000.00	1,639,700.00	1,664,240.00	2,822,250.00	2,597,000.00	15,297,215.00
2034	1,817,200.00	1,639,700.00	1,618,090.00	2,513,750.00	2,599,750.00	13,201,740.00
2035	1,820,000.00	1,643,800.00	1,570,520.00	2,510,250.00	2,597,750.00	11,407,570.00
2036	-	1,642,200.00	1,521,530.00	2,512,000.00	2,601,000.00	8,276,730.00
2037	-	-	1,471,120.00	2,513,500.00	2,599,000.00	6,583,620.00
2038	-	-	-	2,509,500.00	2,601,750.00	5,111,250.00
2039	-	-	-	-	2,598,750.00	2,598,750.00
Total	**$21,837,250.00**	**$26,852,400.00**	**$26,417,660.00**	**$40,775,025.00**	**$38,995,645.83**	**$274,003,497.20**

City of Carrollton, Texas

General Obligation Improvement Bonds, Series 2014*

Dated Date: April 15, 2014

Coupon Range Outstanding: 3.000% - 3.750%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024		219,846.88	219,846.88	-
8/15/2024	980,000.00	133,690.63	1,113,690.63	1,333,537.51
2/15/2025	-	118,990.63	118,990.63	-
8/15/2025	1,015,000.00	118,990.63	1,133,990.63	1,252,981.26
2/15/2026	-	103,765.63	103,765.63	-
8/15/2026	1,050,000.00	103,765.63	1,153,765.63	1,257,531.26
2/15/2027	-	88,015.63	88,015.63	-
8/15/2027	1,090,000.00	88,015.63	1,178,015.63	1,266,031.26
2/15/2028	-	71,665.63	71,665.63	-
8/15/2028	1,125,000.00	71,665.63	1,196,665.63	1,268,331.26
2/15/2029	-	54,087.50	54,087.50	-
8/15/2029	1,165,000.00	54,087.50	1,219,087.50	1,273,175.00
2/15/2030	-	35,156.25	35,156.25	-
8/15/2030	1,205,000.00	35,156.25	1,240,156.25	1,275,312.50
2/15/2031	-	12,562.50	12,562.50	-
8/15/2031	670,000.00	12,562.50	682,562.50	695,125.00
2/15/2032	-	-	-	-
8/15/2032	-	-	-	-
2/15/2033	-	-	-	-
8/15/2033	-	-	-	-
2/15/2034	-	-	-	-
8/15/2034	-	-	-	-
Total	**$8,300,000.00**	**$1,322,025.05**	**$9,622,025.05**	**$9,622,025.05**

* Accounts for the City's 2024 Defeasance which has not yet closed

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2015

Dated Date: May 1, 2015

Coupon Range Outstanding: 2.200% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	334,980.63	334,980.63	-
8/15/2024	3,065,000.00	334,980.63	3,399,980.63	3,734,961.26
2/15/2025	-	258,355.63	258,355.63	-
8/15/2025	3,215,000.00	258,355.63	3,473,355.63	3,731,711.26
2/15/2026	-	222,990.63	222,990.63	-
8/15/2026	2,200,000.00	222,990.63	2,422,990.63	2,645,981.26
2/15/2027	-	167,990.63	167,990.63	-
8/15/2027	925,000.00	167,990.63	1,092,990.63	1,260,981.26
2/15/2028	-	149,490.63	149,490.63	-
8/15/2028	965,000.00	149,490.63	1,114,490.63	1,263,981.26
2/15/2029	-	135,015.63	135,015.63	-
8/15/2029	995,000.00	135,015.63	1,130,015.63	1,265,031.26
2/15/2030	-	120,090.63	120,090.63	-
8/15/2030	1,025,000.00	120,090.63	1,145,090.63	1,265,181.26
2/15/2031	-	104,075.00	104,075.00	-
8/15/2031	1,000,000.00	104,075.00	1,104,075.00	1,208,150.00
2/15/2032	-	87,825.00	87,825.00	-
8/15/2032	1,090,000.00	87,825.00	1,177,825.00	1,265,650.00
2/15/2033	-	70,112.50	70,112.50	-
8/15/2033	1,125,000.00	70,112.50	1,195,112.50	1,265,225.00
2/15/2034	-	50,425.00	50,425.00	-
8/15/2034	1,160,000.00	50,425.00	1,210,425.00	1,260,850.00
2/15/2035	-	30,125.00	30,125.00	-
8/15/2035	1,205,000.00	30,125.00	1,235,125.00	1,265,250.00
Total	**$17,970,000.00**	**$3,462,953.82**	**$21,432,953.82**	**$21,432,953.82**

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2016

Dated Date: May 15, 2016

Coupon Range Outstanding: 3.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	314,025.00	314,025.00	-
8/15/2024	2,365,000.00	314,025.00	2,679,025.00	2,993,050.00
2/15/2025	-	254,900.00	254,900.00	-
8/15/2025	2,480,000.00	254,900.00	2,734,900.00	2,989,800.00
2/15/2026	-	192,900.00	192,900.00	-
8/15/2026	2,595,000.00	192,900.00	2,787,900.00	2,980,800.00
2/15/2027	-	128,025.00	128,025.00	-
8/15/2027	2,715,000.00	128,025.00	2,843,025.00	2,971,050.00
2/15/2028	-	87,300.00	87,300.00	-
8/15/2028	1,390,000.00	87,300.00	1,477,300.00	1,564,600.00
2/15/2029	-	66,450.00	66,450.00	-
8/15/2029	1,435,000.00	66,450.00	1,501,450.00	1,567,900.00
2/15/2030	-	44,925.00	44,925.00	-
8/15/2030	1,475,000.00	44,925.00	1,519,925.00	1,564,850.00
2/15/2031	-	22,800.00	22,800.00	-
8/15/2031	1,520,000.00	22,800.00	1,542,800.00	1,565,600.00
Total	**$15,975,000.00**	**$2,222,650.00**	**$18,197,650.00**	**$18,197,650.00**

City of Carrollton, Texas

General Obligation Improvement Bonds, Series 2017

Dated Date: April 1, 2017

Coupon Range Outstanding: 4.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	269,275.00	269,275.00	-
8/15/2024	1,195,000.00	269,275.00	1,464,275.00	1,733,550.00
2/15/2025	-	245,375.00	245,375.00	-
8/15/2025	1,245,000.00	245,375.00	1,490,375.00	1,735,750.00
2/15/2026	-	220,475.00	220,475.00	-
8/15/2026	1,290,000.00	220,475.00	1,510,475.00	1,730,950.00
2/15/2027	-	194,675.00	194,675.00	-
8/15/2027	1,345,000.00	194,675.00	1,539,675.00	1,734,350.00
2/15/2028	-	161,050.00	161,050.00	-
8/15/2028	1,410,000.00	161,050.00	1,571,050.00	1,732,100.00
2/15/2029	-	125,800.00	125,800.00	-
8/15/2029	1,480,000.00	125,800.00	1,605,800.00	1,731,600.00
2/15/2030	-	96,200.00	96,200.00	-
8/15/2030	1,540,000.00	96,200.00	1,636,200.00	1,732,400.00
2/15/2031	-	65,400.00	65,400.00	-
8/15/2031	1,605,000.00	65,400.00	1,670,400.00	1,735,800.00
2/15/2032	-	33,300.00	33,300.00	-
8/15/2032	1,665,000.00	33,300.00	1,698,300.00	1,731,600.00
Total	**$12,775,000.00**	**$2,823,100.00**	**$15,598,100.00**	**$15,598,100.00**

City of Carrollton, Texas

General Obligation Improvement Bonds, Series 2018

Dated Date: May 1, 2018

Coupon Range Outstanding: 3.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	289,481.25	289,481.25	-
8/15/2024	1,155,000.00	289,481.25	1,444,481.25	1,733,962.50
2/15/2025	-	260,606.25	260,606.25	-
8/15/2025	1,210,000.00	260,606.25	1,470,606.25	1,731,212.50
2/15/2026	-	230,356.25	230,356.25	-
8/15/2026	1,275,000.00	230,356.25	1,505,356.25	1,735,712.50
2/15/2027	-	198,481.25	198,481.25	-
8/15/2027	1,335,000.00	198,481.25	1,533,481.25	1,731,962.50
2/15/2028	-	165,106.25	165,106.25	-
8/15/2028	1,405,000.00	165,106.25	1,570,106.25	1,735,212.50
2/15/2029	-	129,981.25	129,981.25	-
8/15/2029	1,475,000.00	129,981.25	1,604,981.25	1,734,962.50
2/15/2030	-	100,481.25	100,481.25	-
8/15/2030	1,535,000.00	100,481.25	1,635,481.25	1,735,962.50
2/15/2031	-	77,456.25	77,456.25	-
8/15/2031	1,580,000.00	77,456.25	1,657,456.25	1,734,912.50
2/15/2032	-	52,768.75	52,768.75	-
8/15/2032	1,630,000.00	52,768.75	1,682,768.75	1,735,537.50
2/15/2033	-	27,300.00	27,300.00	-
8/15/2033	1,680,000.00	27,300.00	1,707,300.00	1,734,600.00
Total	**$14,280,000.00**	**$3,064,037.50**	**$17,344,037.50**	**$17,344,037.50**

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2019

Dated Date: May 1, 2019

Coupon Range Outstanding: 4.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	718,925.00	718,925.00	-
8/15/2024	3,090,000.00	718,925.00	3,808,925.00	4,527,850.00
2/15/2025	-	641,675.00	641,675.00	-
8/15/2025	3,245,000.00	641,675.00	3,886,675.00	4,528,350.00
2/15/2026	-	560,550.00	560,550.00	-
8/15/2026	3,405,000.00	560,550.00	3,965,550.00	4,526,100.00
2/15/2027	-	475,425.00	475,425.00	-
8/15/2027	3,570,000.00	475,425.00	4,045,425.00	4,520,850.00
2/15/2028	-	386,175.00	386,175.00	-
8/15/2028	3,755,000.00	386,175.00	4,141,175.00	4,527,350.00
2/15/2029	-	292,300.00	292,300.00	-
8/15/2029	3,940,000.00	292,300.00	4,232,300.00	4,524,600.00
2/15/2030	-	193,800.00	193,800.00	-
8/15/2030	2,375,000.00	193,800.00	2,568,800.00	2,762,600.00
2/15/2031	-	134,425.00	134,425.00	-
8/15/2031	1,485,000.00	134,425.00	1,619,425.00	1,753,850.00
2/15/2032	-	97,300.00	97,300.00	-
8/15/2032	1,560,000.00	97,300.00	1,657,300.00	1,754,600.00
2/15/2033	-	66,100.00	66,100.00	-
8/15/2033	1,620,000.00	66,100.00	1,686,100.00	1,752,200.00
2/15/2034	-	33,700.00	33,700.00	-
8/15/2034	1,685,000.00	33,700.00	1,718,700.00	1,752,400.00
Total	**$29,730,000.00**	**$7,200,750.00**	**$36,930,750.00**	**$36,930,750.00**

City of Carrollton, Texas
General Obligation Bonds, Series 2020
Dated Date: May 15, 2020
Coupon Range Outstanding: 4.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	383,475.00	383,475.00	-
8/15/2024	1,055,000.00	383,475.00	1,438,475.00	1,821,950.00
2/15/2025	-	357,100.00	357,100.00	-
8/15/2025	1,105,000.00	357,100.00	1,462,100.00	1,819,200.00
2/15/2026	-	329,475.00	329,475.00	-
8/15/2026	1,160,000.00	329,475.00	1,489,475.00	1,818,950.00
2/15/2027	-	300,475.00	300,475.00	-
8/15/2027	1,220,000.00	300,475.00	1,520,475.00	1,820,950.00
2/15/2028	-	269,975.00	269,975.00	-
8/15/2028	1,280,000.00	269,975.00	1,549,975.00	1,819,950.00
2/15/2029	-	237,975.00	237,975.00	-
8/15/2029	1,345,000.00	237,975.00	1,582,975.00	1,820,950.00
2/15/2030	-	204,350.00	204,350.00	-
8/15/2030	1,410,000.00	204,350.00	1,614,350.00	1,818,700.00
2/15/2031	-	169,100.00	169,100.00	-
8/15/2031	1,480,000.00	169,100.00	1,649,100.00	1,818,200.00
2/15/2032	-	132,100.00	132,100.00	-
8/15/2032	1,555,000.00	132,100.00	1,687,100.00	1,819,200.00
2/15/2033	-	101,000.00	101,000.00	-
8/15/2033	1,620,000.00	101,000.00	1,721,000.00	1,822,000.00
2/15/2034	-	68,600.00	68,600.00	-
8/15/2034	1,680,000.00	68,600.00	1,748,600.00	1,817,200.00
2/15/2035	-	35,000.00	35,000.00	-
8/15/2035	1,750,000.00	35,000.00	1,785,000.00	1,820,000.00
Total	**$16,660,000.00**	**$5,177,250.00**	**$21,837,250.00**	**$21,837,250.00**

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2021

Dated Date: June 1, 2021

Coupon Range Outstanding: 2.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	451,375.00	451,375.00	-
8/15/2024	1,835,000.00	451,375.00	2,286,375.00	2,737,750.00
2/15/2025	-	405,500.00	405,500.00	-
8/15/2025	1,930,000.00	405,500.00	2,335,500.00	2,741,000.00
2/15/2026	-	357,250.00	357,250.00	-
8/15/2026	2,035,000.00	357,250.00	2,392,250.00	2,749,500.00
2/15/2027	-	306,375.00	306,375.00	-
8/15/2027	2,130,000.00	306,375.00	2,436,375.00	2,742,750.00
2/15/2028	-	253,125.00	253,125.00	-
8/15/2028	2,240,000.00	253,125.00	2,493,125.00	2,746,250.00
2/15/2029	-	197,125.00	197,125.00	-
8/15/2029	1,250,000.00	197,125.00	1,447,125.00	1,644,250.00
2/15/2030	-	165,875.00	165,875.00	-
8/15/2030	1,310,000.00	165,875.00	1,475,875.00	1,641,750.00
2/15/2031	-	133,125.00	133,125.00	-
8/15/2031	1,375,000.00	133,125.00	1,508,125.00	1,641,250.00
2/15/2032	-	98,750.00	98,750.00	-
8/15/2032	1,445,000.00	98,750.00	1,543,750.00	1,642,500.00
2/15/2033	-	69,850.00	69,850.00	-
8/15/2033	1,500,000.00	69,850.00	1,569,850.00	1,639,700.00
2/15/2034	-	47,350.00	47,350.00	-
8/15/2034	1,545,000.00	47,350.00	1,592,350.00	1,639,700.00
2/15/2035	-	31,900.00	31,900.00	-
8/15/2035	1,580,000.00	31,900.00	1,611,900.00	1,643,800.00
2/15/2036	-	16,100.00	16,100.00	-
8/15/2036	1,610,000.00	16,100.00	1,626,100.00	1,642,200.00
Total	**$21,785,000.00**	**$5,067,400.00**	**$26,852,400.00**	**$26,852,400.00**

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2022

Dated Date: June 1, 2022

Coupon Range Outstanding: 3.250% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	451,120.00	451,120.00	-
8/15/2024	1,800,000.00	451,120.00	2,251,120.00	2,702,240.00
2/15/2025	-	406,120.00	406,120.00	-
8/15/2025	1,420,000.00	406,120.00	1,826,120.00	2,232,240.00
2/15/2026	-	370,620.00	370,620.00	-
8/15/2026	1,420,000.00	370,620.00	1,790,620.00	2,161,240.00
2/15/2027	-	335,120.00	335,120.00	-
8/15/2027	1,420,000.00	335,120.00	1,755,120.00	2,090,240.00
2/15/2028	-	299,620.00	299,620.00	-
8/15/2028	1,420,000.00	299,620.00	1,719,620.00	2,019,240.00
2/15/2029	-	264,120.00	264,120.00	-
8/15/2029	1,420,000.00	264,120.00	1,684,120.00	1,948,240.00
2/15/2030	-	228,620.00	228,620.00	-
8/15/2030	1,420,000.00	228,620.00	1,648,620.00	1,877,240.00
2/15/2031	-	193,120.00	193,120.00	-
8/15/2031	1,420,000.00	193,120.00	1,613,120.00	1,806,240.00
2/15/2032	-	157,620.00	157,620.00	-
8/15/2032	1,420,000.00	157,620.00	1,577,620.00	1,735,240.00
2/15/2033	-	122,120.00	122,120.00	-
8/15/2033	1,420,000.00	122,120.00	1,542,120.00	1,664,240.00
2/15/2034	-	99,045.00	99,045.00	-
8/15/2034	1,420,000.00	99,045.00	1,519,045.00	1,618,090.00
2/15/2035	-	75,260.00	75,260.00	-
8/15/2035	1,420,000.00	75,260.00	1,495,260.00	1,570,520.00
2/15/2036	-	50,765.00	50,765.00	-
8/15/2036	1,420,000.00	50,765.00	1,470,765.00	1,521,530.00
2/15/2037	-	25,560.00	25,560.00	-
8/15/2037	1,420,000.00	25,560.00	1,445,560.00	1,471,120.00
Total	**$20,260,000.00**	**$6,157,660.00**	**$26,417,660.00**	**$26,417,660.00**

City of Carrollton, Texas

General Obligation Improvement and Refunding Bonds, Series 2023

Dated Date: May 1, 2023

Coupon Range Outstanding: 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	1,043,525.00	1,043,525.00	-
8/15/2024	1,075,000.00	703,500.00	1,778,500.00	2,822,025.00
2/15/2025	-	676,625.00	676,625.00	-
8/15/2025	1,470,000.00	676,625.00	2,146,625.00	2,823,250.00
2/15/2026	-	639,875.00	639,875.00	-
8/15/2026	1,540,000.00	639,875.00	2,179,875.00	2,819,750.00
2/15/2027	-	601,375.00	601,375.00	-
8/15/2027	1,620,000.00	601,375.00	2,221,375.00	2,822,750.00
2/15/2028	-	560,875.00	560,875.00	-
8/15/2028	1,700,000.00	560,875.00	2,260,875.00	2,821,750.00
2/15/2029	-	518,375.00	518,375.00	-
8/15/2029	1,780,000.00	518,375.00	2,298,375.00	2,816,750.00
2/15/2030	-	473,875.00	473,875.00	-
8/15/2030	1,875,000.00	473,875.00	2,348,875.00	2,822,750.00
2/15/2031	-	427,000.00	427,000.00	-
8/15/2031	1,965,000.00	427,000.00	2,392,000.00	2,819,000.00
2/15/2032	-	377,875.00	377,875.00	-
8/15/2032	2,070,000.00	377,875.00	2,447,875.00	2,825,750.00
2/15/2033	-	326,125.00	326,125.00	-
8/15/2033	2,170,000.00	326,125.00	2,496,125.00	2,822,250.00
2/15/2034	-	271,875.00	271,875.00	-
8/15/2034	1,970,000.00	271,875.00	2,241,875.00	2,513,750.00
2/15/2035	-	222,625.00	222,625.00	-
8/15/2035	2,065,000.00	222,625.00	2,287,625.00	2,510,250.00
2/15/2036	-	171,000.00	171,000.00	-
8/15/2036	2,170,000.00	171,000.00	2,341,000.00	2,512,000.00
2/15/2037	-	116,750.00	116,750.00	-
8/15/2037	2,280,000.00	116,750.00	2,396,750.00	2,513,500.00
2/15/2038	-	59,750.00	59,750.00	-
8/15/2038	2,390,000.00	59,750.00	2,449,750.00	2,509,500.00
Total	**$28,140,000.00**	**$12,635,025.00**	**$40,775,025.00**	**$40,775,025.00**

City of Carrollton, Texas

General Obligation Improvement Bonds, Series 2024

Dated Date: June 20, 2024

Coupon Range Outstanding: 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
2/15/2024	-	-	-	-
8/15/2024	-	-	-	-
2/15/2025	-	874,395.83	874,395.83	-
8/15/2025	1,055,000.00	669,750.00	1,724,750.00	2,599,145.83
2/15/2026	-	643,375.00	643,375.00	-
8/15/2026	1,315,000.00	643,375.00	1,958,375.00	2,601,750.00
2/15/2027	-	610,500.00	610,500.00	-
8/15/2027	1,380,000.00	610,500.00	1,990,500.00	2,601,000.00
2/15/2028	-	576,000.00	576,000.00	-
8/15/2028	1,450,000.00	576,000.00	2,026,000.00	2,602,000.00
2/15/2029	-	539,750.00	539,750.00	-
8/15/2029	1,520,000.00	539,750.00	2,059,750.00	2,599,500.00
2/15/2030	-	501,750.00	501,750.00	-
8/15/2030	1,595,000.00	501,750.00	2,096,750.00	2,598,500.00
2/15/2031	-	461,875.00	461,875.00	-
8/15/2031	1,675,000.00	461,875.00	2,136,875.00	2,598,750.00
2/15/2032	-	420,000.00	420,000.00	-
8/15/2032	1,760,000.00	420,000.00	2,180,000.00	2,600,000.00
2/15/2033	-	376,000.00	376,000.00	-
8/15/2033	1,845,000.00	376,000.00	2,221,000.00	2,597,000.00
2/15/2034	-	329,875.00	329,875.00	-
8/15/2034	1,940,000.00	329,875.00	2,269,875.00	2,599,750.00
2/15/2035	-	281,375.00	281,375.00	-
8/15/2035	2,035,000.00	281,375.00	2,316,375.00	2,597,750.00
2/15/2036	-	230,500.00	230,500.00	-
8/15/2036	2,140,000.00	230,500.00	2,370,500.00	2,601,000.00
2/15/2037	-	177,000.00	177,000.00	-
8/15/2037	2,245,000.00	177,000.00	2,422,000.00	2,599,000.00
2/15/2038	-	120,875.00	120,875.00	-
8/15/2038	2,360,000.00	120,875.00	2,480,875.00	2,601,750.00
2/15/2039	-	61,875.00	61,875.00	-
8/15/2039	2,475,000.00	61,875.00	2,536,875.00	2,598,750.00
Total	**$26,790,000.00**	**$12,205,645.83**	**$38,995,645.83**	**$38,995,645.83**

Rating Reports

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates Carrollton, TX's GO Improvement & Refunding Bonds, Series 2024 'AAA'; Outlook Stable

Thu 02 May, 2024 - 1:26 PM ET

Fitch Ratings - Austin - 02 May 2024: Fitch Ratings has assigned a 'AAA' rating to Carrollton, TX's $32.54 million general obligation (GO) improvement and refunding bonds, series 2024. Fitch has also affirmed the following city ratings at 'AAA':

--Issuer Default Rating (IDR);

--Roughly $190.5 million in outstanding GO bonds.

The Rating Outlook is Stable.

The bonds and notes are scheduled to sell on May 22 via negotiated sale. The majority of the proceeds from the GO bonds will be used for various permanent public improvements and public purposes, including street improvements, parks, and the cost of issuing the bonds. Roughly $12 million of the bond proceeds will be used to refund a portion of the city's outstanding 2014 GO bonds for interest cost savings.

RATING ACTIONS

ENTITY / DEBT	RATING		PRIOR
Carrollton (TX) [General Government]	LT IDR Affirmed	AAA Rating Outlook Stable	AAA Rating Outlook Stable

Carrollton (TX) /General Obligation - Limited Tax/1 LT	LT	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

The 'AAA' rating reflects the city's 'aaa' financial profile, resulting from ample budgetary flexibility and assumes maintenance of unrestricted general fund reserves at least equal to 10% of spending. Other factors include a strong demographic level metric (67th percentile) including the median household income metric and population with a bachelor's degree or higher significantly above Fitch portfolio medians. These positive demographic and economic credit factors are somewhat balanced against the district's midrange population trend, which is in the 42nd percentile when compared to Fitch's portfolio.

Another factor contributing to the 'AAA' rating is the city's strong long-term liability burden (60th percentile), which includes a weak level of fixed carrying costs (16.6% of governmental expenditures; 37th percentile following the current issuance), coupled with stronger liabilities to personal income (2.5%; 83rd percentile) and liabilities to governmental revenues (142%; 67th percentile) when including the current issuance.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A decline in available general fund reserve levels sustained below 10% of spending, which would lower Fitch's assessment of financial resilience to 'aa';

--A sustained approximate 10% to 20% increase in long-term liabilities and carrying costs absent a commensurate increase in personal income or governmental resources could result in a lower rating;

--Failure of underlying economic and demographic level composite (likely driven by the unemployment rate relative to the U.S. unemployment rate) to revert back to the pre-pandemic strength at approximately the 70th percentile of Fitch's local governmental portfolio.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--The ratings are at the highest level on Fitch's scale and cannot be upgraded.

SECURITY

The bonds are payable from a limited ad valorem tax pledge capped at $2.50 per $100 of taxable assessed valuation (TAV), levied against all property within the city.

FITCH'S LOCAL GOVERNMENT RATING MODEL

The Local Government Rating Model (LGRM) generates Model Implied Ratings (MIR) which communicate the issuer's credit quality relative to Fitch's local government rating portfolio (the MIR will be the IDR except in certain circumstances explained in the applicable criteria). The MIR is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher ('AAA'), 9.0 ('AA+'), 8.0 ('AA'), and so forth down to 1.0 ('BBB-' and below). Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile (MP), and a structured framework to account for Additional Analytical Factors (AAFs) not captured in the Metric Profile that can either mitigate or exacerbate credit risks. AAFs are reflected in notching from the MP and are capped at +/-3 notches.

RATINGS HEADROOM & POSITIONING

Carrollton Model Implied Rating: 9.95 ('AA+')

-- Metric Profile: 9.95 ('AA+')

-- Net Additional Analytical Factor Notching: 0.0

Carrollton's 9.95 MIR is below the 10.0 and above range for its current 'AAA' IDR but the application of a model deviation resulting in a 'AAA' IDR reflects expectations that the MP will exceed 10.0 in the near term. Previous years' performance is consistent with the 'AAA' MIR.

The financial resilience metric of 'aaa' reflects the city's history of strong reserve levels and ample budgetary flexibility. Population growth has been weak while demographic and economic level metrics have been strong, comfortably above the median of the Fitch local government rating portfolio, with the exception of the midrange unemployment level of 3.5% (51st percentile). The long-term liability burden is strong (60th percentile) following this issuance.

KEY RATING DRIVERS

VARIATIONS TO MODEL IMPLIED RATING

The model deviation from the MIR reflects the potential migration of the MIR (AA+), which is marginal within that notch rating, given the expectation that demographic and economic level metrics will revert to stronger pre-pandemic trends.

FINANCIAL PROFILE

Financial Resilience - 'aaa'

Carrollton's financial resilience is driven by the combination of its 'Midrange' revenue control assessment and 'High' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: Midrange

-- Expenditure control assessment: High

-- Budgetary flexibility assessment: High Midrange

-- Minimum fund balance for current financial resilience assessment: >=10.0%

-- Current year fund balance to expenditure ratio: 34.7% (2023)

-- Five-year low fund balance to expenditure ratio: 25.0% (2023)

Revenue Volatility - 'Midrange'

Carrollton's weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

-- Lowest three-year revenue performance (based on revenues dating back to 2005): 1.8% decrease for the three-year period ending fiscal 2011

-- Median issuer decline: -4.6% (2023)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

DEMOGRAPHIC AND ECONOMIC STRENGTH

Population Trend - 'Midrange'

Based on the median of 10-year annual percentage change in population, Carrollton's population trend is assessed as 'Midrange'.

Population trend: 0.8% 2022 median of 10-year annual percentage change in population (42nd percentile)

Unemployment, Educational Attainment and MHI Level - 'Strong'

The overall strength of Carrollton's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2023 are assessed as 'Strong' on a composite basis, performing at the 67th percentile of Fitch's local government rating portfolio. This is due to relatively high education attainment levels and median-issuer indexed adjusted MHI, midrange unemployment rate.

-- Unemployment rate as percentage of national rate: 97.2% Analyst Input (2022) (51st percentile), relative to the national rate of 3.6%

-- Percent of population with a bachelor's degree or higher: 42.2% (2022) (78th percentile)

-- MHI as a percent of the portfolio median: 121.5% (2022) (72nd percentile)

Economic Concentration and Population Size - 'Strongest'

Carrollton's population in 2022 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric

or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 133,820 (2022) (above the 15th percentile)

-- Economic concentration: 40.8% Analyst Input (above the 15th percentile) (vs. 24.0% 2023 Actual)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Analyst input reflects the use of the 2022 unemployment data due to 2023 data being unavailable.

LONG TERM LIABILITY BURDEN

Long-Term Liability Burden - 'Strong'

Carrollton's liabilities to personal income and liabilities to governmental revenue remain strong while carrying costs to governmental expenditures remain weak. The long-term liability composite metric in 2023 is at the 60th percentile, indicating a somewhat lower liability burden relative to the Fitch local government rating portfolio.

-- Liabilities to personal income: 2.5% (2023) (83rd percentile)

-- Liabilities to governmental revenue: 141.7% Analyst Input (67th percentile) (vs. 149.0% 2023 Actual)

-- Carrying costs to governmental expenditures: 16.6% Analyst Input (37th percentile) (vs. 17.7% 2023 Actual)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Liabilities as a percentage of governmental revenues was adjusted from 149% to 142% to include the new direct debt, netting out 4.3% of the NPL related to enterprise personnel, and assuming a 4% increase in governmental revenues. Carrying costs were adjusted to 16.6% from 17.7% to reflect the debt service schedule inclusive of the current issuance while netting out 4.3% of the pension ADC and 3.9% of OPEB related to enterprise personnel and assuming a 4% increase in governmental expenditures.

PROFILE

Carrollton is relatively mature and considered one of Dallas' 'inner-ring' cities, located in and along major highway and rail corridors, and near to the Dallas-Fort Worth Airport. The larger economic sectors represented in the city's diverse employment base include manufacturing, construction trades, and wholesale trades. The estimated 2022 population of 133,820 benefits from easy access to the larger Dallas-Fort Worth MSA employment base. The city has realized steady expansion in its diverse taxable resource base, driven by a variety of commercial, industrial and retail investments as well as tax base appreciation. TAV growth has been strong as demonstrated in the 11.4% increase in fiscal 2024 to $21.3 billion.

Additional tax base, population, and economic growth appears likely given the residential development (largely multi-family), new and progress towards completing key transit-oriented, mixed-use projects in and around the city's downtown and three Dallas Area Rapid Transit (DART) light-rail stations. The addition of DART's extensive northern commuter Cotton Belt rail line, which includes the DART Silver Line through Carrollton will expand the system's east-west corridor is estimated to be completed in late 2025 to mid-2026; this extension should provide further economic opportunities as well.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from DRIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Public Finance Local Government Rating Criteria (pub. 02 Apr 2024) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Carrollton (TX)	EU Endorsed, UK Endorsed

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S&P Global
Ratings

Research

Summary:

Carrollton, Texas; General Obligation

Primary Credit Analyst:
Katy Vazquez, New York (1) 212-438-1047; katy.vazquez@spglobal.com

Secondary Contact:
Allie Jacobson, Englewood 303-721-4242; allie.jacobson@spglobal.com

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Summary:

Carrollton, Texas; General Obligation

Credit Profile		
US$32.54 mil GO imp & rfdg bnds ser 2024 due 08/15/2039		
Long Term Rating	AAA/Stable	New
Carrollton GO		
Long Term Rating	AAA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AAA' rating to Carrollton, Texas' roughly $32.54 million series 2024 general obligation (GO) improvement and refunding bonds.
- At the same time, S&P Global Ratings affirmed its 'AAA' rating on the city's existing GO debt.
- The outlook is stable.

Security

Carrollton's GO bonds are a direct obligation of the city, payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within its borders. The maximum allowable ad valorem tax rate in Texas is $2.50 per $100 of assessed value for all purposes with the portion dedicated to debt service limited to $1.50. The city's total tax rate is well below the maximum at 55.38 cents in fiscal 2024 with 14.52 cents dedicated for debt service.

Based on the application of our criteria, titled "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," published Nov. 20, 2019, on RatingsDirect, we view the limited-tax GO-debt pledge on par with the issuer credit rating (ICR), reflecting the city's general creditworthiness. Carrollton does not levy ad valorem taxes on a narrower or distinctly different property tax base, and there are no limitations on the fungibility of resources available for debt-service payment.

Officials intend to use series 2024 bond proceeds to fund various capital improvements citywide--including streets, parks and recreational facilities, and trails--and a portion of bond proceeds to refund certain GO debt for interest-cost savings.

Credit overview

Our view of the city's economic strength and robust financial-planning practices that have resulted in substantial reserves being sustained at roughly 50% or more recently underpin the 'AAA' rating. Carrollton is a mature suburb of Dallas that, despite being landlocked, continues to undergo significant expansion through redevelopment, increasing its residential and commercial presence in the city, bolstered by its location along central transportation corridors.

Carrollton has a history of positive budgetary results; fiscal 2023 was more of the same prior to transfers out for

various capital projects, courtesy of ongoing developments and a strong housing market that have contributed to strong revenue growth. Reserves are far in excess of its formal policy of maintaining 60 days' expenditures. Although the city currently plans to spend down closer to the policy for projects aimed at continued economic growth, we do not think it will materially affect our view of finances because conservative budgeting and a competent management team have a long track record of proactively managing the finances.

Although we view debt as weak, we consider it manageable with additional issuances commensurate with market value growth and rapid debt amortization.

The rating reflects our opinion of the city's:

- Very strong economy with access to a broad, diverse metropolitan statistical area (MSA) and ongoing economic development in the local economy, leading to a very diverse, continuously growing tax base;
- Historically strong operating performance and maintenance of very strong reserves and liquidity;
- Very strong management with robust, strong financial-management policies, procedures under our Financial Management Assessment (FMA) methodology and strong Institutional Framework score; and
- Weak debt profile with annual expected issuances, albeit with rapid amortization and manageable pension costs.

Environmental, social, and governance

We view Carrollton's environmental, social, and governance (ESG) factors as neutral within our credit-rating analysis when considering its economy, budgetary performance, management, and debt-and-liability profile. Notably, we view Carrollton's good governance practices as supporting the credit rating due to how well it manages growth, reflected in its finances.

Outlook

The stable outlook reflects S&P Global Ratings' opinion of Carrollton's prudent financial management and key policies and practices that help underpin budgetary stability, navigating continuous growth and very strong reserve maintenance.

Downside scenario

We could lower the rating if budgetary performance were to become imbalanced, leading to persistent reserve drawdowns, no longer comparable with similar-rated peers.

Credit Opinion

Robust, ongoing tax base growth, benefiting from access to the MSA

Carrollton, favorably located 14 miles north of Dallas and 10 miles northeast of Dallas-Fort Worth International Airport, affords residents access to, and employment opportunities in, the broad, diverse Dallas-Fort Worth MSA. The mature suburb continues to expand, growing its tax base steadily year over year with new residential and commercial developments continuously underway. In addition, Carrollton benefits from a diverse transportation system, including

three light-rail stations and direct access to major thoroughfares in the Dallas Metroplex. Dallas Area Rapid Transit's (DART) Silver Line is under construction, which will connect downtown Plano and Dallas-Fort Worth Airport with a scheduled stop at the downtown Carrollton DART station.

Carrollton's manufacturing sector continues to thrive, bolstered by its location and transportation system, with multiple companies occupying warehouse space in the city. Notably, there is a new 69,000-square-foot retail shopping center currently leasing space. The residential market, the city's leading tax base generator, remains strong with single and multifamily mixed-use units increasing substantially. Despite being landlocked, the city continues to grow with the redevelopment of existing spaces.

We do not expect to change our view of Carrollton's very strong economy, reflecting its above-average property wealth and income, growing labor force, tax base, and access to the broader Dallas-Fort Worth MSA through its beneficial transit system.

Historically strong operating performance, bolstered by property and sales tax growth, and the maintenance of very strong reserves

Carrollton's strong revenue growth coupled with conservative budgeting has led to a long history of, what we consider, strong operating performance. Its two main revenue sources--property (46% of general fund revenue in fiscal 2023) and sales (33%) taxes--continue to increase year over year. Fiscal 2023 yielded more of the same, prior to roughly $57 million transferred out for various capital projects.

In three fiscal years, property and sales taxes have increased by roughly 14% and 10%, respectively, correlating with growth. Due to the inherent volatility associated with sales taxes and possible looming recessionary pressure, likely decreasing consumer spending, we understand Carrollton caps the percent of total sales taxes within the operating budget to 75% of total collections with the remaining 25% spent on onetime nonrecurring expenditures. In addition, the city limits capped amount growth to no more than 8% over the previous year's capped amount.

In response to the possible implementation of Comptroller Rule 3.334, which sets forth how to handle sales taxes, either origin or destination based, and which is under litigation, Carrollton has been budgeting sales tax conservatively to mitigate any effect on finances. If implemented, we do not expect the rule to result in budget pressure because the change would be relatively small; officials estimate a change of roughly $4 million with capped sales taxes unaffected. Multiyear projections for subsequent fiscal years help insulate Carrollton from an unfavorable court decision.

Fiscal 2024 is trending positively, and the fiscal 2025 budget contains an operating deficit to begin spending down a portion of reserves for capital projects closer to its formal 60 days' expenditure policy. As the city continues to yield above-the-line surpluses, the discretionary amount it transfers out for capital projects could vary year to year; we expect fund balance will likely remain, what we consider, very strong.

Very strong management with strong financial-management policies, practices under our FMA methodology

Carrollton has adopted a comprehensive set of financial and budgeting policies. Highlights include management's:

- Minimum general-fund-balance requirement of 60 days' operating expenditures and use of regression analysis and historical trends to form revenue forecasts;

- Monthly budget and status reports to elected officials--It amends the operating budget as needed;
- Adopted annual investment-management policy, which the city council reviews--It provides the council with quarterly investment-holdings-and-returns reports;
- Five-year financial forecast, which it presents to the council annually;
- Annual, city-council-adopted, five-year, rolling capital-improvement plan with identified funding sources; and
- Adopted debt-management policy, reviewed annually as part of the budget process.

The Institutional Framework score for Texas municipalities is strong.

Weak debt with additional planned annual issuances but rapid amortization

Carrollton has, what we consider, a weak, but manageable, debt profile. To accommodate growth, officials expect to issue roughly $30 million of additional debt annually during the next few years; however, since it amortizes debt rapidly, coinciding with market value growth, we do not expect additional debt will likely weaken the debt profile materially.

Pension and other postemployment benefits (OPEB)

We do not view pension and OPEB liabilities as an immediate credit risk for Carrollton. The city's pension plan is well funded with actuarially determined contributions.

As of Dec. 31, 2022, the latest measurement date, Carrollton participates in:

- Texas Municipal Retirement System, which is 91.1% funded on a generally accepted accounting principles basis, with a net pension liability equal to $45.7 million--Contributions are actuarially determined, and the city has recently overfunded annual required costs; actuarial assumptions include a 6.75% discount; and
- Carrollton's single-employer, defined-benefit OPEB plan with the city's total OPEB liability at $2.76 million.

Ratings above the sovereign

Carrolton's GO debt is eligible to be rated above the sovereign because we think the city can maintain better credit characteristics than the nation in a stress scenario. Under our criteria, "Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions," published Nov. 19, 2013, on RatingsDirect, we consider U.S. local governments to have moderate sensitivity to national risk.

The city's GO pledge is the primary source of debt security, severely limiting the possibility of negative sovereign intervention in the payment of debt or operations. The nation's institutional framework for local governments is predictable, allowing it significant autonomy and independent treasury management, with no history of government intervention. Carrollton also has considerable financial flexibility, demonstrated by its very strong general fund balance as a percent of expenditures, as well as very strong liquidity.

Carrollton, Texas--key credit metrics

	Most recent	--Historical information--		
		2023	2022	2021
Very strong economy				
Projected per capita effective buying income (EBI) (%) of U.S.	111.4			
Market value per capita ($)	148,077			
Population			143,985	141,221
County unemployment rate(%)			3.4	
Market value ($000)	21,320,849	19,135,582	16,853,487	
10 leading taxpayers as a % of taxable value	4.3			
Strong budgetary performance				
Operating fund result as a % of expenditures		(18.9)	26.2	13.3
Total governmental fund result as a % of expenditures		33.6	29.6	30.8
Very strong budgetary flexibility				
Available reserves as a % of operating expenditures		52.2	73.4	49.2
Total available reserves ($000)		62,993	83,206	54,413
Very strong liquidity				
Total government cash % of governmental fund expenditures		208.9	206.0	190.3
Total government cash % of governmental fund debt service		1,197.3	1,241.9	1,175.7
Very strong management				
Financial Management Assessment	Strong			
Weak debt and long-term liabilities				
Debt service as a % of governmental fund expenditures		17.4	16.6	16.2
Net direct debt as a % of governmental fund revenue	106.8			
Overall net debt as a % of market value	3.7			
Direct debt 10-year amortization (%)	81.0			
Required pension contribution as a % of governmental fund expenditures		4.8		
Other postemployment benefits actual contribution as a % of governmental fund expenditures		0.1		
Strong Institutional Framework				

Data points and ratios may reflect analytical adjustments.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2023 Update Of Institutional Framework For U.S. Local Governments, Nov. 28, 2023

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

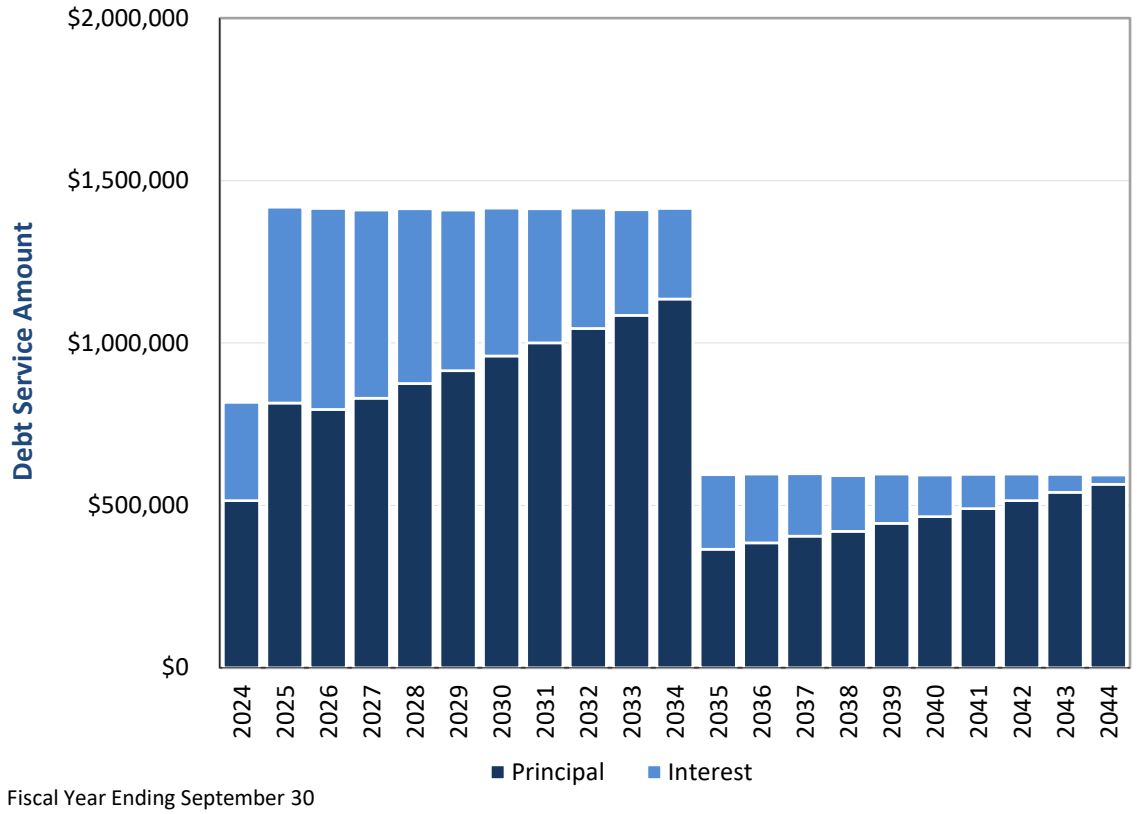
Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

II. Waterworks & Sewer System Debt

Debt Service by Principal and Interest

City of Carrollton, Texas

Outstanding Waterworks and Sewer System Revenue Debt Service by Principal and Interest



Fiscal Year Ending September 30

City of Carrollton, Texas
Annual Waterworks and Sewer System Revenue Debt Service
By Principal and Interest

FYE	Principal	Interest	Debt Service
2024	515,000.00	301,800.00	816,800.00
2025	815,000.00	603,430.56	1,418,430.56
2026	795,000.00	618,850.00	1,413,850.00
2027	830,000.00	579,100.00	1,409,100.00
2028	875,000.00	537,600.00	1,412,600.00
2029	915,000.00	493,850.00	1,408,850.00
2030	960,000.00	454,550.00	1,414,550.00
2031	1,000,000.00	413,300.00	1,413,300.00
2032	1,045,000.00	370,300.00	1,415,300.00
2033	1,085,000.00	325,350.00	1,410,350.00
2034	1,135,000.00	278,650.00	1,413,650.00
2035	365,000.00	229,750.00	594,750.00
2036	385,000.00	211,500.00	596,500.00
2037	405,000.00	192,250.00	597,250.00
2038	420,000.00	172,000.00	592,000.00
2039	445,000.00	151,000.00	596,000.00
2040	465,000.00	128,750.00	593,750.00
2041	490,000.00	105,500.00	595,500.00
2042	515,000.00	81,000.00	596,000.00
2043	540,000.00	55,250.00	595,250.00
2044	565,000.00	28,250.00	593,250.00
Total	**$14,565,000.00**	**$6,332,030.56**	**$20,897,030.56**

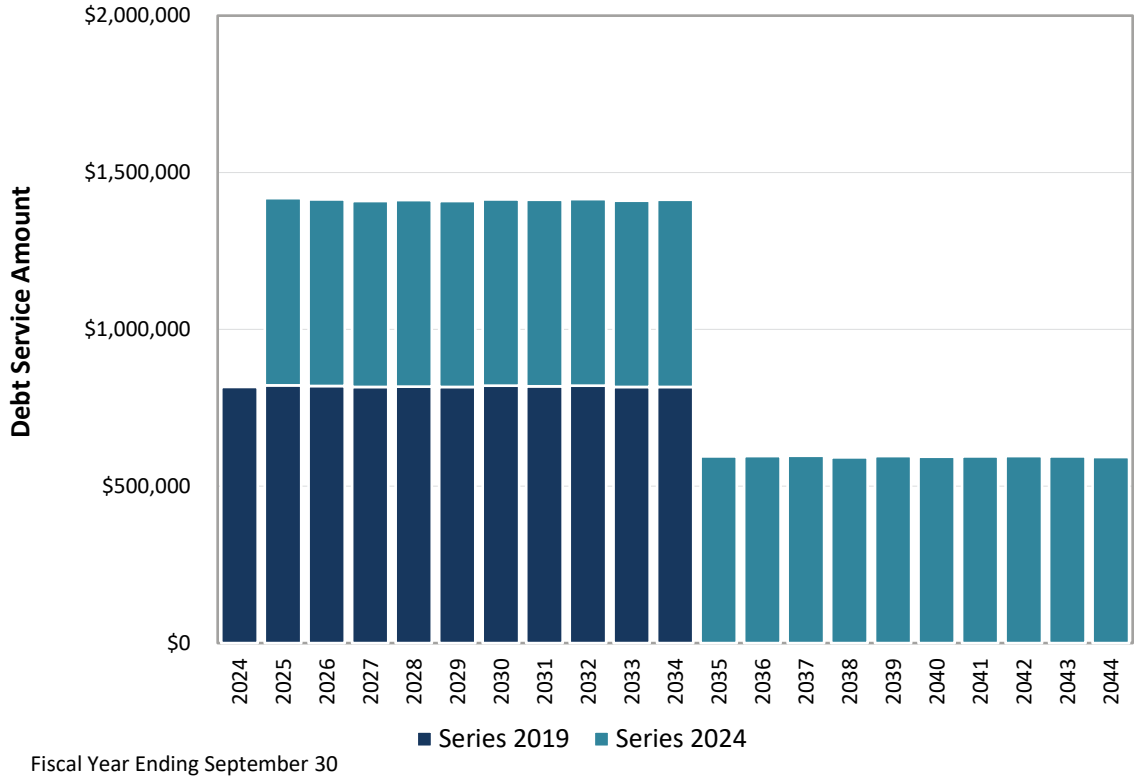
City of Carrollton, Texas
Semi-Annual Waterworks and Sewer System Revenue Debt Service
By Principal and Interest

FYE	Principal	Interest	Debt Service	FYE 9/30 Debt Service
11/01/23	-	150,900.00	150,900.00	-
05/01/24	515,000.00	150,900.00	665,900.00	816,800.00
11/01/24	-	276,330.56	276,330.56	-
05/01/25	815,000.00	327,100.00	1,142,100.00	1,418,430.56
11/01/25	-	309,425.00	309,425.00	-
05/01/26	795,000.00	309,425.00	1,104,425.00	1,413,850.00
11/01/26	-	289,550.00	289,550.00	-
05/01/27	830,000.00	289,550.00	1,119,550.00	1,409,100.00
11/01/27	-	268,800.00	268,800.00	-
05/01/28	875,000.00	268,800.00	1,143,800.00	1,412,600.00
11/01/28	-	246,925.00	246,925.00	-
05/01/29	915,000.00	246,925.00	1,161,925.00	1,408,850.00
11/01/29	-	227,275.00	227,275.00	-
05/01/30	960,000.00	227,275.00	1,187,275.00	1,414,550.00
11/01/30	-	206,650.00	206,650.00	-
05/01/31	1,000,000.00	206,650.00	1,206,650.00	1,413,300.00
11/01/31	-	185,150.00	185,150.00	-
05/01/32	1,045,000.00	185,150.00	1,230,150.00	1,415,300.00
11/01/32	-	162,675.00	162,675.00	-
05/01/33	1,085,000.00	162,675.00	1,247,675.00	1,410,350.00
11/01/33	-	139,325.00	139,325.00	-
05/01/34	1,135,000.00	139,325.00	1,274,325.00	1,413,650.00
11/01/34	-	114,875.00	114,875.00	-
05/01/35	365,000.00	114,875.00	479,875.00	594,750.00
11/01/35	-	105,750.00	105,750.00	-
05/01/36	385,000.00	105,750.00	490,750.00	596,500.00
11/01/36	-	96,125.00	96,125.00	-
05/01/37	405,000.00	96,125.00	501,125.00	597,250.00
11/01/37	-	86,000.00	86,000.00	-
05/01/38	420,000.00	86,000.00	506,000.00	592,000.00
11/01/38	-	75,500.00	75,500.00	-
05/01/39	445,000.00	75,500.00	520,500.00	596,000.00
11/01/39	-	64,375.00	64,375.00	-
05/01/40	465,000.00	64,375.00	529,375.00	593,750.00
11/01/40	-	52,750.00	52,750.00	-
05/01/41	490,000.00	52,750.00	542,750.00	595,500.00
11/01/41	-	40,500.00	40,500.00	-
05/01/42	515,000.00	40,500.00	555,500.00	596,000.00
11/01/42	-	27,625.00	27,625.00	-
05/01/43	540,000.00	27,625.00	567,625.00	595,250.00
11/01/43	-	14,125.00	14,125.00	-
05/01/44	565,000.00	14,125.00	579,125.00	593,250.00
Total	**$14,565,000.00**	**$6,332,030.56**	**$20,897,030.56**	**$20,897,030.56**

Debt Service by Series

City of Carrollton, Texas

Outstanding Waterworks and Sewer System Revenue Debt Service by Series



Fiscal Year Ending September 30

City of Carrollton, Texas
Outstanding Waterworks and Sewer System
Revenue Debt Service By Series

FYE	Series 2019	Series 2024	Total
2024	816,800.00	-	816,800.00
2025	821,200.00	597,230.56	1,418,430.56
2026	819,600.00	594,250.00	1,413,850.00
2027	816,600.00	592,500.00	1,409,100.00
2028	817,350.00	595,250.00	1,412,600.00
2029	816,600.00	592,250.00	1,408,850.00
2030	820,800.00	593,750.00	1,414,550.00
2031	818,800.00	594,500.00	1,413,300.00
2032	820,800.00	594,500.00	1,415,300.00
2033	816,600.00	593,750.00	1,410,350.00
2034	816,400.00	597,250.00	1,413,650.00
2035	-	594,750.00	594,750.00
2036	-	596,500.00	596,500.00
2037	-	597,250.00	597,250.00
2038	-	592,000.00	592,000.00
2039	-	596,000.00	596,000.00
2040	-	593,750.00	593,750.00
2041	-	595,500.00	595,500.00
2042	-	596,000.00	596,000.00
2043	-	595,250.00	595,250.00
2044	-	593,250.00	593,250.00
Total	**$9,001,550.00**	**$11,895,480.56**	**$20,897,030.56**

City of Carrollton, Texas

Waterworks and Sewer System Revenue Bonds, Series 2019

Dated Date: May 1, 2019

Coupon Range Outstanding: 4.000% - 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
11/01/23	-	150,900.00	150,900.00	
05/01/24	515,000.00	150,900.00	665,900.00	816,800.00
11/01/24	-	140,600.00	140,600.00	-
05/01/25	540,000.00	140,600.00	680,600.00	821,200.00
11/01/25	-	129,800.00	129,800.00	-
05/01/26	560,000.00	129,800.00	689,800.00	819,600.00
11/01/26	-	115,800.00	115,800.00	-
05/01/27	585,000.00	115,800.00	700,800.00	816,600.00
11/01/27	-	101,175.00	101,175.00	-
05/01/28	615,000.00	101,175.00	716,175.00	817,350.00
11/01/28	-	85,800.00	85,800.00	-
05/01/29	645,000.00	85,800.00	730,800.00	816,600.00
11/01/29	-	72,900.00	72,900.00	-
05/01/30	675,000.00	72,900.00	747,900.00	820,800.00
11/01/30	-	59,400.00	59,400.00	-
05/01/31	700,000.00	59,400.00	759,400.00	818,800.00
11/01/31	-	45,400.00	45,400.00	-
05/01/32	730,000.00	45,400.00	775,400.00	820,800.00
11/01/32	-	30,800.00	30,800.00	-
05/01/33	755,000.00	30,800.00	785,800.00	816,600.00
11/01/33	-	15,700.00	15,700.00	-
05/01/34	785,000.00	15,700.00	800,700.00	816,400.00
Total	**$7,105,000.00**	**$1,896,550.00**	**$9,001,550.00**	**$9,001,550.00**

City of Carrollton, Texas

Waterworks and Sewer System Revenue Bonds, Series 2024

Dated Date: June 20, 2024

Coupon Range Outstanding: 5.000%

Date	Principal	Interest	Debt Service	FYE 9/30 Debt Service
05/01/24	-	-	-	-
11/01/24	-	135,730.56	135,730.56	-
05/01/25	275,000.00	186,500.00	461,500.00	597,230.56
11/01/25	-	179,625.00	179,625.00	-
05/01/26	235,000.00	179,625.00	414,625.00	594,250.00
11/01/26	-	173,750.00	173,750.00	-
05/01/27	245,000.00	173,750.00	418,750.00	592,500.00
11/01/27	-	167,625.00	167,625.00	-
05/01/28	260,000.00	167,625.00	427,625.00	595,250.00
11/01/28	-	161,125.00	161,125.00	-
05/01/29	270,000.00	161,125.00	431,125.00	592,250.00
11/01/29	-	154,375.00	154,375.00	-
05/01/30	285,000.00	154,375.00	439,375.00	593,750.00
11/01/30	-	147,250.00	147,250.00	-
05/01/31	300,000.00	147,250.00	447,250.00	594,500.00
11/01/31	-	139,750.00	139,750.00	-
05/01/32	315,000.00	139,750.00	454,750.00	594,500.00
11/01/32	-	131,875.00	131,875.00	-
05/01/33	330,000.00	131,875.00	461,875.00	593,750.00
11/01/33	-	123,625.00	123,625.00	-
05/01/34	350,000.00	123,625.00	473,625.00	597,250.00
11/01/34	-	114,875.00	114,875.00	-
05/01/35	365,000.00	114,875.00	479,875.00	594,750.00
11/01/35	-	105,750.00	105,750.00	-
05/01/36	385,000.00	105,750.00	490,750.00	596,500.00
11/01/36	-	96,125.00	96,125.00	-
05/01/37	405,000.00	96,125.00	501,125.00	597,250.00
11/01/37	-	86,000.00	86,000.00	-
05/01/38	420,000.00	86,000.00	506,000.00	592,000.00
11/01/38	-	75,500.00	75,500.00	-
05/01/39	445,000.00	75,500.00	520,500.00	596,000.00
11/01/39	-	64,375.00	64,375.00	-
05/01/40	465,000.00	64,375.00	529,375.00	593,750.00
11/01/40	-	52,750.00	52,750.00	-
05/01/41	490,000.00	52,750.00	542,750.00	595,500.00
11/01/41	-	40,500.00	40,500.00	-
05/01/42	515,000.00	40,500.00	555,500.00	596,000.00
11/01/42	-	27,625.00	27,625.00	-
05/01/43	540,000.00	27,625.00	567,625.00	595,250.00
11/01/43	-	14,125.00	14,125.00	-
05/01/44	565,000.00	14,125.00	579,125.00	593,250.00
Total	**$7,460,000.00**	**$4,435,480.56**	**$11,895,480.56**	**$11,895,480.56**

Rating Reports

Carrollton, Texas

The 'AAA' water and sewer revenue bond rating, along with the 'aaa' Standalone Credit Profile, reflects the system's 'Exceptionally Strong' financial profile within the framework of 'Very Strong' revenue defensibility assessed at 'aa' and a 'Strong' operating risk profile assessed at 'a'. The waterworks and sewer system's leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), was extremely low at 1.2x in fiscal 2023 (ended Sept. 30).

In Fitch's Analytical Stress Test (FAST) rating case, the system's leverage is forecast to peak at 3.0x in fiscal 2024, but retain comfortable headroom for the rating.

Security

The bonds are secured by a first lien on and pledge of net revenues of the city of Carrollton's waterworks and sewer system.

Assessment

Standalone Credit Profile (SCP)	aaa

New Issues

$8,000,000 Waterworks and Sewer System Revenue Bonds, Series 2024	AAA

Sale Date

Sale is expected the week of May 20, 2024, via negotiation.

Outstanding Debt

Waterworks and Sewer System Revenue Bonds	AAA

Rating Outlook

Stable

Applicable Criteria

U.S. Water and Sewer Rating Criteria (February 2024)

U.S. Public Sector, Revenue-Supported Entities Rating Criteria (January 2024)

Related Research

Fitch Rates Carrollton, TX's Series 2024 Water and Sewer Revs 'AAA'; Outlook Stable (May 2024)

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Key Rating Drivers

Revenue Defensibility - 'aa'

Very Favorable Service Area, Affordable Rates for Vast Majority of Population

The city retains the legal authority to adjust rates as needed without external oversight. Fitch considers the monthly residential water and sewer bill affordable for approximately 93% of the service area population, based on standard monthly usage of 7,500 gallons for water and 6,000 gallons for sewer. The very favorable service area is characterized by stronger income levels and a moderate unemployment rate relative to the nation, despite a moderately declining customer base. Customer count has contracted with a five-year compound annual growth rate (CAGR) of negative 0.5% in fiscal 2023. Income levels are about 27% higher than the national median as of 2022. The unemployment rate has decreased to 3% since 2020, but it was still 14% less than the national average in 2022.

Operating Risk - 'a'

Very Low Operating Cost Burden, Elevated Life Cycle Ratio

In fiscal 2023, the system's operating cost burden was very low at $3,024 per million gallons (mg), supportive of the operating risk assessment. The life cycle ratio is elevated at 60% in fiscal 2023, but risks are mitigated in part due to the system being a collection and distribution system. Capex to depreciation has been adequate, averaging 95% over the past five fiscal years, from 2019 to 2023. Planned capital spending for the next five years should generally outpace historical depreciation, resulting in a stable to improving life cycle ratio.

The fiscal 2024 through fiscal 2028 capital improvement plan (CIP) totals $47.2 million, in line with the prior five-year plan of $46.9 million. The CIP is anticipated to be funded through $18 million in new debt issuances, including the current sale. The remainder is to be funded through pay-go, which includes recent general fund capital contributions that are reflected in cash balances. Projects are related to storage, distribution and system maintenance, and the city also plans to fund an Automated Meter Infrastructure (AMI) project.

Financial Profile - 'aaa'

Leverage to Increase

The system had exceptionally low leverage of 1.2x as of fiscal 2023. Leverage has been on a gradual downward trend since fiscal 2019, when it measured 3.6x. The decrease is a result of amortizing debt and generally increasing FADS over this period. The liquidity profile is neutral to the overall assessment with current days cash on hand of 423 and coverage of full obligations (COFO) of 2.6x. Fitch-calculated total debt service coverage for fiscal 2023 was 7.8x, which excludes fixed service expense.

The FAST considers the potential trend of key ratios in a base case and stress scenario over a five-year period. The stress scenario is designed to impose capital costs 10% above expected base case levels and evaluate potential variability in projected key ratios. The FAST reflects Fitch's view of a reasonable scenario, which is generally informed by publicly available and/or management-provided information with respect to capital expenditures, user charges and rate of revenue and expenditure growth.

In the base case scenario, the leverage ratio is expected to increase to 2.9x in fiscal 2024, then decline to 2.3x through fiscal 2028. In the stress scenario, which is considered the rating case, the leverage ratio is projected to increase to 3.0x in fiscal 2024, then decrease to 2.5x through fiscal 2028. The liquidity profile is expected to remain neutral to the assessment over the five-year horizon.

Asymmetric Additional Risk Considerations

No asymmetric additive risk considerations affected this rating determination.

Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Sustained increase in leverage that approximates more than 4.0x in Fitch's rating case.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- The rating is at the highest level on Fitch's scale and cannot be upgraded.

Profile

Carrollton is a relatively mature city located northwest of Dallas along Interstate 35 East, in parts of Dallas, Denton and Collin counties in the Dallas-Fort Worth metroplex; it has a population of over 133,000. Most development is in

the form of infill projects in the city center and a few new developments. The city encompasses approximately 37 square miles, and almost 98% of the city is developed.

The system provides retail water and sewer service to more than 36,000 residential and commercial customers within the city. The city does not own any treatment facilities but, instead, purchases treated water supplies on a wholesale basis from Dallas Water Utilities (DWU; water and sewer revenue bonds AA/Stable). The current DWU agreement allows for 41 million gallons daily (mgd) of water with budgeted increase (if required) to approximately 45mgd. The DWU term of contract is for 30 years and expires in 2043.

The city owns and operates a retail sewer collection system, contracting for sewage treatment and disposal with Trinity River Authority (TRA; wastewater revenue bonds AAA/Stable) as one of 21 customers contributing to TRA's Central Regional Wastewater System (CRWS). The term of the contract is until all CRWS bonds are retired, with contract maturity automatically extended to the final maturity of outstanding CRWS debt, as initial expiration was 2023.

Fitch considers the system a related entity of the City of Carrollton, TX given the relationship of the water and sewer system as an enterprise fund of the city. The rating on the water and sewer revenue bonds is not currently constrained by the city's credit quality.

Revenue Defensibility

Revenue Source Characteristics

All revenues are derived from the system's monopolistic business lines providing retail water and sewer services.

Service Area Characteristics

Customer growth is modest and generally flat due to the city being almost entirely built-out. The city's population is forecast to grow about 1% annually, and multifamily houses are becoming increasingly in demand. Unemployment rates (86% of the national average) are favorable and income levels are above average compared to the national median (127%). The city is a hub for companies seeking warehouse or manufacturing space, a major economic driver for the city.

Rate Flexibility

The system currently has some of the lowest rates in the region and as of fiscal 2023. The combined monthly residential utility bill of approximately $69 (using Fitch's standard usage of 7,500 gallons of water and 6,000 gallons of sewer flows per month) is considered affordable for the vast majority of the population (almost 92%). Rates are projected to increase between 3.3% and 8.3% through fiscal 2029. However, Fitch does not expect future rate increases to materially affect affordability.

Asymmetric Factor Considerations

No asymmetric rating factor considerations affect the revenue defensibility assessment.

Operating Risk

Operating Cost Burden

The operating cost burden is very low at an average of about $3,600 per mg of water produced and sewer flows treated over the past five years. The operating cost burden is influenced by the city's costs from wholesale providers. The city does not own any treatment facilities; instead, it purchases treated water on a wholesale basis from DWU and has a contract for wastewater treatment service with TRA. Wholesale costs are anticipated to increase annually over the next several years, but Fitch believes the system is well positioned to absorb these additional costs.

The system had a transfer in from the general fund of almost $13 million in fiscal 2023, which is inclusive of capital contributions for various capital projects. Even excluding these transfers in, the operating cost burden for fiscal 2023 would approximate $4,000 per mg, which still provides the system ample headroom to absorb extra costs.

Capital Planning and Management

At 60%, the system's life cycle ratio is elevated, although risk is partially mitigated by the fact that the system is collection and distribution focused. Fiscal 2024 through fiscal 2028 capital spending totals $47.2 million, in line with the prior five-year plan of $46.9 million. The CIP is anticipated to be about 38% debt-funded, with the remainder funded through pay-go, which includes recent general fund capital contributions.

The installation of new meters related to the city's AMI project is scheduled to begin in spring 2024 and continue for several years, with commercial meters being replaced first. This project is projected to cost about $8 million overall. Other projects within the CIP are related to storage, distribution and general system maintenance.

The city conforms to a steady level of ongoing renewal and replacement relative to the capital assets, but historical annual capital spending has not kept up with annual depreciation expenses. However, planned capital spending in upcoming years could help moderate the life cycle ratio. If the five-year average capital expenditures to depreciation remains consistently above 80%, this would be favorable for the overall operating risk assessment.

Asymmetric Factor Considerations

No asymmetric rating factor considerations affect the operating risk assessment.

Financial Profile and FAST Analysis

The system's leverage ratio was 1.2x at the end of fiscal 2023, which has been declining annually since 2019, when it measured 3.6x. The liquidity profile remains neutral to the assessment. At the close of fiscal 2023, the system's current days cash on hand and the liquidity cushion ratio both equaled 423 days. For the same period, coverage of full obligations (COFO) was 2.6x; Fitch-calculated total debt service coverage is stronger at 7.8x (as this excludes the fixed services expense related to purchased water and sewer). Liquidity is anticipated to remain generally in line with historical levels over the five-year horizon, with COFO of at least 1.4x and days cash on hand around 350 days. The system's financial position is aided by its adopted financial policy of maintaining a 90-day fund balance.

Fitch Analytical Stress Test (FAST)

The FAST considers the potential trend of key ratios in a base case and a stress case. The stress case is designed to impose capital costs 10% above expected levels and evaluate potential variability in projected key ratios. Base case assumptions are informed by the system's forecasts, which reflect rate increases of between 3.3% and 8.3% annually through fiscal 2029. The forecasts also consider higher operating costs as a result of increased costs from the wholesaler providers. The system's CIP and anticipated debt issuances are also included.

Based on these assumptions, leverage increases to 2.9x under the base case and to 3.0x in the stress case in fiscal 2024, before declining thereafter, supportive of the current rating. The liquidity profile is expected to remain neutral to the assessment with COFO of at least 1.4x and sound days cash. Fitch also considered the system's contractual obligations to its wholesale providers and believes that the leverage would remain supportive of the current rating, even with the inclusion of this off-balance sheet debt.

Asymmetric Additive Risk Considerations

No asymmetric additive risk considerations affected this rating determination.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Financial Summary

(Audited Fiscal Years Ended Sept. 30)	2019	2020	2021	2022	2023
Revenue Defensibility					
Revenue Source Characteristics					
% of Total Revenue from Monopolistic Services	100	100	100	100	100
Service Area Characteristics					
Service Area Population	139,429	133,434	133,569	133,820	
Total Customer Count	74,964	78,600	73,804	74,276	73,460
Five-Year Total Customer Count CAGR (%)	0.8	0.2	-	-	-0.5
Service Area Median Household Income ($)	78,306	82,345	87,299	95,380	
Service Area MHI/U.S. Median Household Income (%)	125	127	126	127	
Service Area Unemployment Rate (%)	3.0	6.6	4.4	3.1	
Service Area Unemployment Rate/U.S. Unemployment Rate (%)	81	81	83	86	
Rate Flexibility					
Total Monthly Bill ($) 7,500 Gallons Water/6,000 Gallons Sewer	60.36	63.02	63.02	66.46	68.48
% of Population with Unaffordable Bill	8	8	8	8	-
Operating Risk					
Operating Cost Burden					
Operating Cost Burden ($/mg)	3,925	3,676	3,852	3,654	3,024
Capital Planning and Management					
Life Cycle Ratio (%)	57	59	59	59	60
Annual Capex/Depreciation (%)	96	35	121	97	120
Five-Year Average Capex/Depreciation (%)	52	44	62	75	94
Financial Profile ($000), Unless Otherwise Indicated					
Current Unrestricted Cash/Investments	22,872	30,566	34,686	37,771	48,332
Current Restricted Cash/Investments - Available Liquidity					
Current Cash Available	22,872	30,566	34,686	37,771	48,332
Noncurrent Unrestricted Cash/Investments					
Noncurrent Restricted Cash/Investments - Available Liquidity					
Available Cash	22,872	30,566	34,686	37,771	48,332
Current Restricted Cash/Invest. - Debt Service or Debt Service Reserve	889	897	894	701	340
Noncurrent Restricted Cash/Invest. - Debt Service or Debt Service Reserve	1,142	1,070	987	890	818
Funds Restricted for Debt Service	2,031	1,967	1,880	1,591	1,159
Total Debt	17,301	13,130	11,264	9,342	9,743
Capitalized Fixed Charges	65,417	67,191	66,903	71,677	76,499
Adjusted Net Pension Liability	3,691	1,697	-	-	4,104
Available Cash	22,872	30,566	34,686	37,771	48,332
Funds Restricted for Debt Service	2,031	1,967	1,880	1,591	1,159
Net Adjusted Debt	61,506	49,485	41,601	41,658	40,855
Total Operating Revenues	45,322	49,168	49,138	53,703	55,467
Purchased Water/Sewer Services	26,701	27,425	27,307	29,256	31,224
Other Operating Expenses	8,672	8,544	8,754	8,286	10,487
EBITDA	9,949	13,199	13,076	16,161	13,756
Investment Income/(Loss)	871	680	97	-1,076	1,296
Non-Operating Revenues from Taxes					

Financial Summary

(Audited Fiscal Years Ended Sept. 30)	2019	2020	2021	2022	2023
Other Cash Revenues/(Expenses)	-	-	-	-	-
BAB Subsidy	-	-	-	-	-
Capital Contributions	818	460	706	571	141
Funds Available for Debt Service	11,638	14,339	13,879	15,656	15,194
Fixed Services Expense	9,345	9,599	9,558	10,240	10,928
Net Transfers In/(Out)	-4,497	-4,552	-4,920	-4,723	7,690
Pension Expense	605	262	-	-	630
Adjusted Funds Available for Debt Service	17,091	19,648	18,517	21,172	34,441
Net Adjusted Debt/Adjusted Funds Available for Debt Service (x)	**3.6**	**2.5**	**2.3**	**2.0**	**1.2**
Funds Available for Debt Service	11,638	14,339	13,879	15,656	15,194
Fixed Services Expense	9,345	9,599	9,558	10,240	10,928
Net Transfers In/-Out	-4,497	-4,552	-4,920	-4,723	7,690
Adjusted FADS for Coverage of Full Obligations	16,486	19,385	18,517	21,172	33,812
Total Annual Debt Service	4,147	4,680	2,329	2,340	1,948
Fixed Services Expense	9,345	9,599	9,558	10,240	10,928
Adjusted Debt Service -Includes Fixed Services Expense	13,492	14,279	11,887	12,579	12,877
Coverage of Full Obligations (x)	1.22	1.36	1.56	1.68	2.63
Coverage of Full Obligations Excluding Connection Fees (x)	1.16	1.33	1.50	1.64	2.61
Current Days Cash on Hand	236	310	351	367	423
Liquidity Cushion Ratio (Days)	236	310	351	367	423
All-In Debt Service Coverage (x)	2.81	3.06	5.96	6.69	7.80

Notes: Fitch may have reclassified certain financial statement items for analytical purposes. N.A. - Not available.
Source: Fitch Ratings, Fitch Solutions, Carrollton (TX)

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

DISCLAIMER & DISCLOSURES

S&P Global
Ratings

Research

Summary:

Carrollton, Texas; Water/Sewer

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Table Of Contents

Summary:

Carrollton, Texas; Water/Sewer

Credit Profile		
US$8.5 mil wastewtr and swr rev bnds ser 2024 due 05/01/2044		
Long Term Rating	AAA/Stable	New
Carrollton ws		
Long Term Rating	AAA/Stable	Affirmed
Carrollton ws (AMBAC)		
Unenhanced Rating	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Credit Highlights

- S&P Global Ratings assigned its 'AAA' long-term rating to Carrollton, Texas' series 2024 waterworks and sewer system revenue bonds.
- At the same time, we affirmed our 'AAA' long-term rating on the city's existing water and sewer system revenue bonds.
- The outlook is stable.

Security

The system's first-lien pledge of net revenues generated from water and sewer system operations secures the bonds. We view bond provisions as credit neutral. Provisions include a rate covenant equal to 1.2x average annual debt service and an additional bonds test equal to 1.25x average annual debt service and 1.10x maximum annual debt service (MADS). A debt service reserve, funded at average annual debt service, provides additional liquidity for the bonds. Proceeds from the series 2024 bonds will be used for improvements to the utility systems, including ongoing upgrades and replacements. With the series 2024 bonds, the city will have around $15 million in waterworks and sewer system revenue debt outstanding.

Credit overview

The 'AAA' rating reflects the service area's embeddedness within the broad and diverse Dallas-Fort Worth-Arlington metropolitan statistical area (MSA) and the system's proactive management team, which actively maintains and implements policies and practices we view as credit-supportive and supportive of ongoing financial continuity. These practices include multiyear rate review, robust or proactive asset management practices, and forward-looking financial and capital planning, with ongoing coordination with the city's two wholesalers, Trinity River Authority (TRA) and Dallas Water Utilities (DWU), regarding long-term costs. We also view the city's willingness to absorb wholesale cost adjustments as credit-supportive, especially considering the city's affordable water and sewer rates.

S&P Global Ratings calculates that all-in debt service coverage (DSC) for the city's water and sewer fund ranged between about 1.3x and 2x over the last three fiscal years. Importantly, S&P Global Ratings' calculation differs from

the city's, as it treats certain recurring financial obligations as fixed costs that are debtlike in nature. In the city's case, fixed charges include the city's take-or-pay minimum (or demand charge) to DWU and S&P Global Ratings' calculation of the city's portion of TRA debt service based on annual flows. S&P Global Ratings' calculation also includes transfers to the general fund for administrative costs and payments in lieu of taxes (PILOT), since we view them as a recurring use of utility revenues. Without these adjustments, the city's projections show that that the city's coverage levels will remain at a minimum of at least 3x, in line with historical trends. We expect the city's all-in coverage metrics to remain consistent over the outlook period, given its plans to continue adjusting rates for inflationary costs and wholesale treatment, as well as to support additional debt service.

Other key credit factors include the city's:

- Stable and primarily residential customer base, which benefits from participation in the DFW area metroplex, supporting above-average incomes in comparison with the national average;
- Very low combined water and sewer bill as a percent of local incomes, even when considering the city's anticipated rate adjustments, which are expected to range between about 3% and 8% over the next five years;
- Manageable five-year capital improvement plan (CIP), including about $47.2 million of total improvements to be financed, of which management expects to finance primarily on a pay-go basis, but also with the series 2024 bonds and an estimated $10 million issuance likely during the two-year outlook period;
- Very low debt-to-capitalization ratio, which we expect to stay low even with the city's anticipated debt plans;
- Very strong liquidity position, with approximately $48.3 million of unrestricted cash, or about 375 days' cash on hand, though we understand that this includes about $12.67 million of proceeds from the general fund that the utility fund will spend on installing automated meter infrastructure (AMI) and maintenance of its Hebron Water Tower over the outlook period; and
- Management's codified reserve policy of maintaining 90 days' operating cash on hand, which it continues to exceed.

Environmental, social, and governance

We view the city's physical risk exposures as credit neutral. The city maintains generators in the case of power outages due to severe storms and other emergencies, and continues to add more generators to its utility system in accordance with state requirements. The city also maintains a robust drought management plan, in coordination with DWU, though we understand the city has never had to implement mandatory water restrictions due to DWU's robust water supply.

We view social risks as credit neutral, given the city's very affordable rates in the context of local incomes. We view the city's governance as credit-supportive, given management's codified and robust policies and practices, which we view as supporting ongoing financial continuity, as well as its ongoing transparency with stakeholders. Additionally, cyber security is a critical focus for the city, and it maintains both formal policies and practices in this regard, as well as cyber insurance.

Outlook

The stable outlook reflects our expectation that the city's codified policies and practices, stable economy, and willingness to adjust rates to account for wholesale cost increases and capital needs will continue to support credit-supportive financial metrics. Additionally, we view the city's very affordable rates in the context of above-average local incomes as further supporting these factors.

Downside scenario

We could lower the rating should the city not fully recuperate or pass through wholesale cost escalations, such that coverage levels are materially deteriorated on a consistent basis, or should it spend down reserve levels to below recent historical averages.

Rating above the sovereign

The system has a predominantly locally derived revenue base. Local service charges, derived through an autonomous rate-setting process, represent virtually all the entity's revenue. This, coupled with operating expense flexibility, limits the system's exposure to federal revenue and leads us to rate the district's debt above the U.S. sovereign rating.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022