CITY OF ROWLETT, TEXAS

ANALYSIS OF OUTSTANDING DEBT

AS OF:

FISCAL YEAR 2016

PREPARED BY:

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City of Rowlett, Texas

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TAB A

TAB 1

City of Rowlett, Texas

All Outstanding General Obligation Bonds
As of Fiscal Year 2016
(000's)

Year Ending September 30	$2,885,000 Combination Tax & Revenue Certificates of Obligation Series 2015		$32,240,000 General Obligation Refunding & Improvement Bonds Series 2015		$1,235,000 Limited Tax Notes Series 2015		$3,750,000 General Obligation Refunding Bonds Taxable Series 2014		$7,910,000 General Obligation Refunding Bonds Series 2013		$17,155,000 General Obligation Refunding Bonds Series 2012	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
2016	185	3.000%	2,145	3.000%	165	0.630%	100	3.000%	165	3.000%	1,495	3.000%
2017	155	3.000%	3,355	4.000%	175	0.840%	100	3.000%	170	3.000%	1,540	3.000%
2018	160	3.000%	3,295	5.000%	175	1.120%	105	3.000%	180	3.000%	1,595	3.000%
2019	165	3.000%	3,325	5.000%	175	1.360%	110	3.000%			1,640	3.000%
2020	170	3.000%	3,145	5.000%	180	1.570%	110	3.000%			1,680	3.000%
2021	175	3.000%	1,620	5.000%	180	1.790%	115	3.000%	1,340	5.000%	1,745	4.000%
2022	180	4.000%	1,705	5.000%	185	2.020%	120	3.000%	1,405	5.000%	1,820	5.000%
2023	185	4.000%	1,795	5.000%			120	3.500%	1,455	2.500%	1,915	5.000%
2024	195	4.000%	1,890	5.000%			125	4.000%	1,490	2.700%	2,020	5.000%
2025	200	4.000%	1,985	5.000%			130	4.000%	1,530	2.700%	15	3.250%
2026	210	3.000%	2,095	5.000%			135	4.250%			15	3.250%
2027	215	3.000%	635	4.000%			140	4.250%			15	3.250%
2028	225	3.000%	660	4.000%			145	4.250%			10	3.250%
2029	230	3.000%	685	4.000%			155	4.250%			15	3.250%
2030	235	3.000%	720	5.000%			160	4.250%				
2031			755	5.000%			165	4.250%				
2032			565	5.000%			175	4.250%				
2033			590	5.000%			180	4.250%				
2034			620	5.000%			190	4.250%				
2035			655	5.000%			195	4.250%				
2036							205	4.250%				
2037							215	4.250%				
2038							225	4.400%				
2039							235	4.400%				
TOTALS			32,240				3,655		7,735		15,520	
Next Call	2/15/2025 @ Par		2/15/2024 @ Par		2/15/2016 @ Par		8/15/2024 @ Par		2/15/2023 @ Par		2/15/2022 @ Par	
Adv. Refundable	100%		44.6261%		100%		100% (Taxable Basis)		2.1691%		0%	
Dated Date	12/1/2015		7/15/2015		1/20/2015		7/15/2014		12/19/2013		6/1/2022	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15		August 15		February 15		February 15	
Insurer	None		None		None		None		None		None	
Arbitrage Yield	2.4468%		2.3997%		1.5694%		Taxable		2.4048%		2.1030%	
Paying Agent	US Bank		US Bank		Amegy Bank		Bank of New York		US Bank		US Bank	
Purpose	New Money		New Money & Refunding		New Money		New Money		Refunding		Refunding	

Color Legend

Non-Callable
Callable and Advanced Refundable
Callable and Partially Advanced Refundable
Callable and Not Advanced Refundable

FirstSouthwest
A Division of Hilltop Securities.

City of Rowlett, Texas

All Outstanding General Obligation Bonds
As of Fiscal Year 2016
(000's)

Year Ending September 30	$9,000,000 General Obligation Refunding Bonds Series 2011		$10,825,000 General Obligation Refunding Bonds Series 2010		$26,280,000 Combination Tax & Revenue Certificates of Obligation Series 2006	
	Principal	Coupon	Principal	Coupon	Principal	Coupon
2016	1,155	3.000%	1,025	3.500%	1,105	4.250%
2017	1,180	3.000%	1,060	4.000%		
2018	1,225	4.000%	935	4.000%		
2019	805	4.000%	975	4.000%		
2020	830	4.000%	1,015	4.000%		
2021	865	4.000%	1,050	4.000%		
2022	740	4.000%	760	4.000%		
2023	770	4.000%				
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
TOTALS	7,570		6,820		1,105	
Next Call	2/15/2021 @ Par		2/15/2020 @ Par		2/15/2016 @ Par	
Adv. Refundable	12.5410%		5.5770%		100%	
Dated Date	10/1/2011		6/15/2010		6/15/2006	
Coupon Dates	February 15 August 15		February 15 August 15		February 15 August 15	
Maturity Dates	February 15		August 15		August 15	
Insurer	None		None		MBIA	
Arbitrage Yield	2.3812%		2.9387%		4.6808%	
Paying Agent	US Bank		US Bank		US Bank	
Purpose	Refunding		Refunding		New Money	

Color Legend

Non-Callable	Callable and Advanced Refundable
Callable and Partially Advanced Refundable	Callable and Not Advanced Refundable

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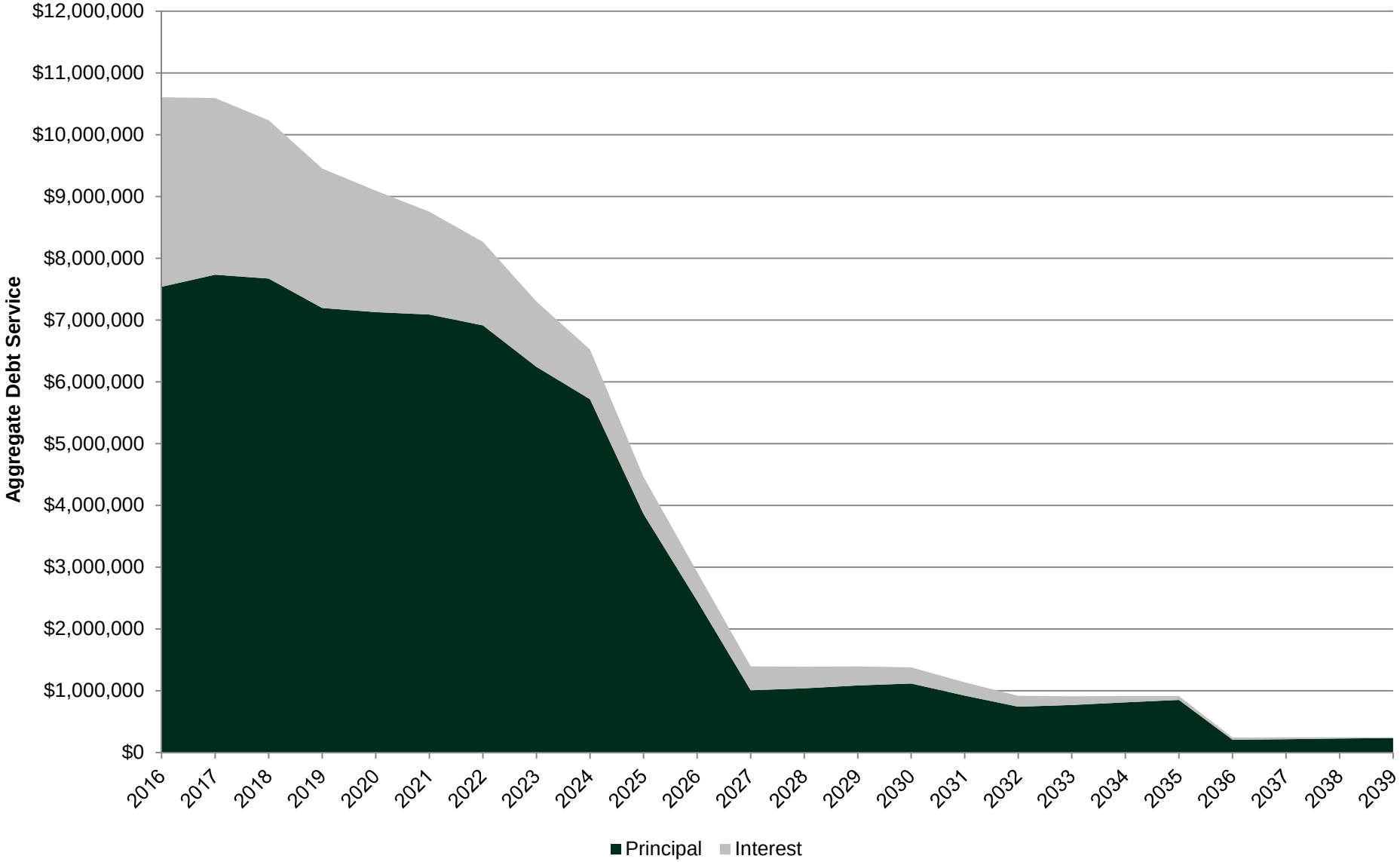
City of Rowlett, Texas
All Outstanding General Obligation Debt
As of Fiscal Year 2016



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Public Finance Department

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding General Obligation Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service
09/30/2016	7,540,000	3,067,212.59	10,607,212.59
09/30/2017	7,735,000	2,858,615.00	10,593,615.00
09/30/2018	7,670,000	2,565,325.00	10,235,325.00
09/30/2019	7,195,000	2,259,605.00	9,454,605.00
09/30/2020	7,130,000	1,964,627.00	9,094,627.00
09/30/2021	7,090,000	1,665,203.00	8,755,203.00
09/30/2022	6,915,000	1,351,598.50	8,266,598.50
09/30/2023	6,240,000	1,059,242.50	7,299,242.50
09/30/2024	5,720,000	803,240.00	6,523,240.00
09/30/2025	3,860,000	601,951.25	4,461,951.25
09/30/2026	2,455,000	466,458.75	2,921,458.75
09/30/2027	1,005,000	388,783.75	1,393,783.75
09/30/2028	1,040,000	349,927.50	1,389,927.50
09/30/2029	1,085,000	309,633.75	1,394,633.75
09/30/2030	1,115,000	264,127.50	1,379,127.50
09/30/2031	920,000	216,927.50	1,136,927.50
09/30/2032	740,000	176,915.00	916,915.00
09/30/2033	770,000	140,602.50	910,602.50
09/30/2034	810,000	102,702.50	912,702.50
09/30/2035	850,000	62,752.50	912,752.50
09/30/2036	205,000	38,090.00	243,090.00
09/30/2037	215,000	29,377.50	244,377.50
09/30/2038	225,000	20,240.00	245,240.00
09/30/2039	235,000	10,340.00	245,340.00
	78,765,000	20,773,498.59	99,538,498.59

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding General Obligation Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
02/15/2016	7,440,000	1,569,050.09	9,009,050.09	
08/15/2016	100,000	1,498,162.50	1,598,162.50	
09/30/2016				10,607,212.59
02/15/2017	7,635,000	1,496,662.50	9,131,662.50	
08/15/2017	100,000	1,361,952.50	1,461,952.50	
09/30/2017				10,593,615.00
02/15/2018	7,565,000	1,360,452.50	8,925,452.50	
08/15/2018	105,000	1,204,872.50	1,309,872.50	
09/30/2018				10,235,325.00
02/15/2019	7,085,000	1,203,297.50	8,288,297.50	
08/15/2019	110,000	1,056,307.50	1,166,307.50	
09/30/2019				9,454,605.00
02/15/2020	7,020,000	1,054,657.50	8,074,657.50	
08/15/2020	110,000	909,969.50	1,019,969.50	
09/30/2020				9,094,627.00
02/15/2021	6,975,000	908,319.50	7,883,319.50	
08/15/2021	115,000	756,883.50	871,883.50	
09/30/2021				8,755,203.00
02/15/2022	6,795,000	755,158.50	7,550,158.50	
08/15/2022	120,000	596,440.00	716,440.00	
09/30/2022				8,266,598.50
02/15/2023	6,120,000	594,640.00	6,714,640.00	
08/15/2023	120,000	464,602.50	584,602.50	
09/30/2023				7,299,242.50
02/15/2024	5,595,000	462,502.50	6,057,502.50	
08/15/2024	125,000	340,737.50	465,737.50	
09/30/2024				6,523,240.00
02/15/2025	3,730,000	338,237.50	4,068,237.50	
08/15/2025	130,000	263,713.75	393,713.75	
09/30/2025				4,461,951.25
02/15/2026	2,320,000	261,113.75	2,581,113.75	
08/15/2026	135,000	205,345.00	340,345.00	
09/30/2026				2,921,458.75
02/15/2027	865,000	202,476.25	1,067,476.25	
08/15/2027	140,000	186,307.50	326,307.50	
09/30/2027				1,393,783.75
02/15/2028	895,000	183,332.50	1,078,332.50	
08/15/2028	145,000	166,595.00	311,595.00	
09/30/2028				1,389,927.50
02/15/2029	930,000	163,513.75	1,093,513.75	
08/15/2029	155,000	146,120.00	301,120.00	
09/30/2029				1,394,633.75
02/15/2030	955,000	142,826.25	1,097,826.25	
08/15/2030	160,000	121,301.25	281,301.25	
09/30/2030				1,379,127.50
02/15/2031	755,000	117,901.25	872,901.25	
08/15/2031	165,000	99,026.25	264,026.25	
09/30/2031				1,136,927.50
02/15/2032	565,000	95,520.00	660,520.00	
08/15/2032	175,000	81,395.00	256,395.00	
09/30/2032				916,915.00
02/15/2033	590,000	77,676.25	667,676.25	
08/15/2033	180,000	62,926.25	242,926.25	
09/30/2033				910,602.50
02/15/2034	620,000	59,101.25	679,101.25	
08/15/2034	190,000	43,601.25	233,601.25	
09/30/2034				912,702.50
02/15/2035	655,000	39,563.75	694,563.75	

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding General Obligation Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
08/15/2035	195,000	23,188.75	218,188.75	
09/30/2035				912,752.50
02/15/2036		19,045.00	19,045.00	
08/15/2036	205,000	19,045.00	224,045.00	
09/30/2036				243,090.00
02/15/2037		14,688.75	14,688.75	
08/15/2037	215,000	14,688.75	229,688.75	
09/30/2037				244,377.50
02/15/2038		10,120.00	10,120.00	
08/15/2038	225,000	10,120.00	235,120.00	
09/30/2038				245,240.00
02/15/2039		5,170.00	5,170.00	
08/15/2039	235,000	5,170.00	240,170.00	
09/30/2039				245,340.00
	78,765,000	20,773,498.59	99,538,498.59	99,538,498.59

TAB 2

City of Rowlett, Texas

All Outstanding Waterworks & Sewer System Bonds
As of Fiscal Year 2016
(000's)

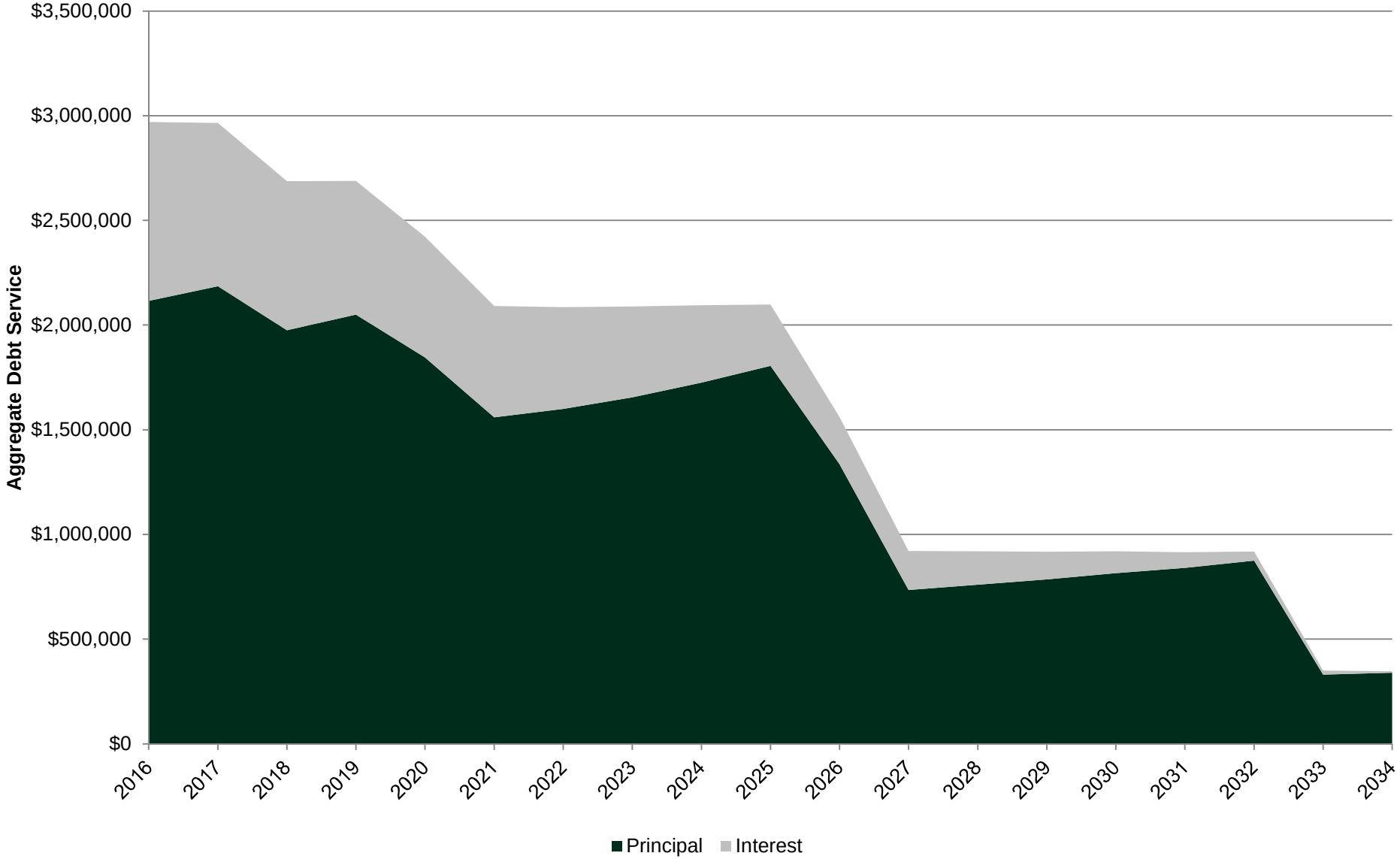
Year Ending September 30	$12,330,000 Refunding Bonds Series 2015		$4,825,000 Revenue Bonds Series 2014		$8,525,000 Revenue Bonds Series 2012		$11,775,000 Revenue Refunding & Improvement Bonds Series 2006		$7,180,000 Revenue Bonds Series 2005A			
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
2016	775	1.500%	175	3.000%	350	2.000%	460	4.500%	355	4.000%		
2017	1645	3.000%	180	3.000%	360	2.500%						
2018	1420	4.000%	185	3.000%	370	2.500%						
2019	1480	4.000%	190	3.500%	380	2.500%						
2020	1260	2.500%	195	3.500%	390	2.500%						
2021	955	2.750%	205	3.500%	400	2.500%						
2022	980	3.000%	210	3.750%	410	3.000%						
2023	1015	3.125%	220	4.000%	420	3.000%						
2024	1060	5.000%	230	4.000%	435	3.000%						
2025	115	5.000%	240	4.000%	450	3.000%						
2026	625	5.000%	250	4.000%	460	3.000%						
2027			260	4.000%	475	3.125%						
2028			270	4.000%	490	3.250%						
2029			280	4.000%	505	3.250%						
2030			290	4.000%	525	3.250%						
2031			300	4.000%	540	3.500%						
2032			315	4.000%	560	3.500%						
2033			330	4.000%								
2034			340	4.000%								
TOTALS	11,330		4,665		7,520		460		355			
Next Call	3/1/2024 @ Par		3/1/2024 @ Par		3/1/2022 @ Par		Non Callable		Non Callable			
Adv. Refundable	29.6144%		100%		100%		100%		100%			
Dated Date	7/15/2015		7/15/2014		8/15/2012		6/15/2006		8/15/2005			
Coupon Dates	March 1	September 1	March 1	September 1	March 1	September 1	March 1	September 1	March 1	September 1		
Maturity Dates	March 1		March 1		March 1		March 1		March 1			
Insurer	None		None		None		Syncora Guarantee		Assured Guaranty			
Arbitrage Yield	2.2334%		2.9815%		2.9044%		4.6621%		4.2725%			
Paying Agent	US Bank		US Bank		US Bank		US Bank		US Bank			
Purpose	Refunding		New Money		New Money		New Money & Refunding		New Money			

Color Legend

Non-Callable	Callable and Advanced Refundable
Callable and Partially Advanced Refundable	Callable and Not Advanced Refundable

FirstSouthwest
A Division of Hilltop Securities.

City of Rowlett, Texas
All Outstanding Waterworks & Sewer System Revenue Debt
As of Fiscal Year 2016



FirstSouthwest
A Division of Hilltop Securities.

Public Finance Department

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding Waterworks and Sewer System Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service
09/30/2016	2,115,000	854,905.34	2,969,905.34
09/30/2017	2,185,000	780,325.02	2,965,325.02
09/30/2018	1,975,000	712,650.02	2,687,650.02
09/30/2019	2,050,000	639,175.02	2,689,175.02
09/30/2020	1,845,000	577,462.52	2,422,462.52
09/30/2021	1,560,000	531,706.27	2,091,706.27
09/30/2022	1,600,000	485,200.02	2,085,200.02
09/30/2023	1,655,000	433,853.14	2,088,853.14
09/30/2024	1,725,000	369,668.76	2,094,668.76
09/30/2025	1,805,000	292,618.76	2,097,618.76
09/30/2026	1,335,000	225,668.76	1,560,668.76
09/30/2027	735,000	185,521.88	920,521.88
09/30/2028	760,000	159,537.50	919,537.50
09/30/2029	785,000	132,368.75	917,368.75
09/30/2030	815,000	104,231.25	919,231.25
09/30/2031	840,000	74,450.00	914,450.00
09/30/2032	875,000	42,900.00	917,900.00
09/30/2033	330,000	20,200.00	350,200.00
09/30/2034	340,000	6,800.00	346,800.00
	25,330,000	6,629,243.01	31,959,243.01

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding Waterworks and Sewer System Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
03/01/2016	2,115,000	448,805.33	2,563,805.33	
09/01/2016		406,100.01	406,100.01	
09/30/2016				2,969,905.34
03/01/2017	2,185,000	406,100.01	2,591,100.01	
09/01/2017		374,225.01	374,225.01	
09/30/2017				2,965,325.02
03/01/2018	1,975,000	374,225.01	2,349,225.01	
09/01/2018		338,425.01	338,425.01	
09/30/2018				2,687,650.02
03/01/2019	2,050,000	338,425.01	2,388,425.01	
09/01/2019		300,750.01	300,750.01	
09/30/2019				2,689,175.02
03/01/2020	1,845,000	300,750.01	2,145,750.01	
09/01/2020		276,712.51	276,712.51	
09/30/2020				2,422,462.52
03/01/2021	1,560,000	276,712.51	1,836,712.51	
09/01/2021		254,993.76	254,993.76	
09/30/2021				2,091,706.27
03/01/2022	1,600,000	254,993.76	1,854,993.76	
09/01/2022		230,206.26	230,206.26	
09/30/2022				2,085,200.02
03/01/2023	1,655,000	230,206.26	1,885,206.26	
09/01/2023		203,646.88	203,646.88	
09/30/2023				2,088,853.14
03/01/2024	1,725,000	203,646.88	1,928,646.88	
09/01/2024		166,021.88	166,021.88	
09/30/2024				2,094,668.76
03/01/2025	1,805,000	166,021.88	1,971,021.88	
09/01/2025		126,596.88	126,596.88	
09/30/2025				2,097,618.76
03/01/2026	1,335,000	126,596.88	1,461,596.88	
09/01/2026		99,071.88	99,071.88	
09/30/2026				1,560,668.76
03/01/2027	735,000	99,071.88	834,071.88	
09/01/2027		86,450.00	86,450.00	
09/30/2027				920,521.88
03/01/2028	760,000	86,450.00	846,450.00	
09/01/2028		73,087.50	73,087.50	
09/30/2028				919,537.50
03/01/2029	785,000	73,087.50	858,087.50	
09/01/2029		59,281.25	59,281.25	
09/30/2029				917,368.75
03/01/2030	815,000	59,281.25	874,281.25	
09/01/2030		44,950.00	44,950.00	
09/30/2030				919,231.25
03/01/2031	840,000	44,950.00	884,950.00	
09/01/2031		29,500.00	29,500.00	
09/30/2031				914,450.00
03/01/2032	875,000	29,500.00	904,500.00	
09/01/2032		13,400.00	13,400.00	
09/30/2032				917,900.00
03/01/2033	330,000	13,400.00	343,400.00	

BOND DEBT SERVICE

City of Rowlett, TX
All Outstanding Waterworks and Sewer System Debt
As of Fiscal Year 2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
09/01/2033		6,800.00	6,800.00	
09/30/2033				350,200.00
03/01/2034	340,000	6,800.00	346,800.00	
09/30/2034				346,800.00
	25,330,000	6,629,243.01	31,959,243.01	31,959,243.01

TAB B

BOND DEBT SERVICE

City of Rowlett, Texas
$2,885,000 Combination Tax & Limited Surplus Revenue Certificates of Obligation, Series 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	185,000	3.000%	11,768.75	196,768.75	
08/15/2016			44,300.00	44,300.00	
09/30/2016					241,068.75
02/15/2017	155,000	3.000%	44,300.00	199,300.00	
08/15/2017			41,975.00	41,975.00	
09/30/2017					241,275.00
02/15/2018	160,000	3.000%	41,975.00	201,975.00	
08/15/2018			39,575.00	39,575.00	
09/30/2018					241,550.00
02/15/2019	165,000	3.000%	39,575.00	204,575.00	
08/15/2019			37,100.00	37,100.00	
09/30/2019					241,675.00
02/15/2020	170,000	3.000%	37,100.00	207,100.00	
08/15/2020			34,550.00	34,550.00	
09/30/2020					241,650.00
02/15/2021	175,000	3.000%	34,550.00	209,550.00	
08/15/2021			31,925.00	31,925.00	
09/30/2021					241,475.00
02/15/2022	180,000	4.000%	31,925.00	211,925.00	
08/15/2022			28,325.00	28,325.00	
09/30/2022					240,250.00
02/15/2023	185,000	4.000%	28,325.00	213,325.00	
08/15/2023			24,625.00	24,625.00	
09/30/2023					237,950.00
02/15/2024	195,000	4.000%	24,625.00	219,625.00	
08/15/2024			20,725.00	20,725.00	
09/30/2024					240,350.00
02/15/2025	200,000	4.000%	20,725.00	220,725.00	
08/15/2025			16,725.00	16,725.00	
09/30/2025					237,450.00
02/15/2026	210,000	3.000%	16,725.00	226,725.00	
08/15/2026			13,575.00	13,575.00	
09/30/2026					240,300.00
02/15/2027	215,000	3.000%	13,575.00	228,575.00	
08/15/2027			10,350.00	10,350.00	
09/30/2027					238,925.00
02/15/2028	225,000	3.000%	10,350.00	235,350.00	
08/15/2028			6,975.00	6,975.00	
09/30/2028					242,325.00
02/15/2029	230,000	3.000%	6,975.00	236,975.00	
08/15/2029			3,525.00	3,525.00	
09/30/2029					240,500.00
02/15/2030	235,000	3.000%	3,525.00	238,525.00	
09/30/2030					238,525.00
	2,885,000		720,268.75	3,605,268.75	3,605,268.75

BOND DEBT SERVICE

City of Rowlett, Texas
$32,240,000 General Obligation Refunding & Improvement Bonds, Series 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	2,145,000	3.000%	736,822.92	2,881,822.92	
08/15/2016			725,700.00	725,700.00	
09/30/2016					3,607,522.92
02/15/2017	3,355,000	4.000%	725,700.00	4,080,700.00	
08/15/2017			658,600.00	658,600.00	
09/30/2017					4,739,300.00
02/15/2018	3,295,000	5.000%	658,600.00	3,953,600.00	
08/15/2018			576,225.00	576,225.00	
09/30/2018					4,529,825.00
02/15/2019	3,325,000	5.000%	576,225.00	3,901,225.00	
08/15/2019			493,100.00	493,100.00	
09/30/2019					4,394,325.00
02/15/2020	3,145,000	5.000%	493,100.00	3,638,100.00	
08/15/2020			414,475.00	414,475.00	
09/30/2020					4,052,575.00
02/15/2021	1,620,000	5.000%	414,475.00	2,034,475.00	
08/15/2021			373,975.00	373,975.00	
09/30/2021					2,408,450.00
02/15/2022	1,705,000	5.000%	373,975.00	2,078,975.00	
08/15/2022			331,350.00	331,350.00	
09/30/2022					2,410,325.00
02/15/2023	1,795,000	5.000%	331,350.00	2,126,350.00	
08/15/2023			286,475.00	286,475.00	
09/30/2023					2,412,825.00
02/15/2024	1,890,000	5.000%	286,475.00	2,176,475.00	
08/15/2024			239,225.00	239,225.00	
09/30/2024					2,415,700.00
02/15/2025	1,985,000	5.000%	239,225.00	2,224,225.00	
08/15/2025			189,600.00	189,600.00	
09/30/2025					2,413,825.00
02/15/2026	2,095,000	5.000%	189,600.00	2,284,600.00	
08/15/2026			137,225.00	137,225.00	
09/30/2026					2,421,825.00
02/15/2027	635,000	4.000%	137,225.00	772,225.00	
08/15/2027			124,525.00	124,525.00	
09/30/2027					896,750.00
02/15/2028	660,000	4.000%	124,525.00	784,525.00	
08/15/2028			111,325.00	111,325.00	
09/30/2028					895,850.00
02/15/2029	685,000	4.000%	111,325.00	796,325.00	
08/15/2029			97,625.00	97,625.00	
09/30/2029					893,950.00
02/15/2030	720,000	5.000%	97,625.00	817,625.00	
08/15/2030			79,625.00	79,625.00	
09/30/2030					897,250.00
02/15/2031	755,000	5.000%	79,625.00	834,625.00	
08/15/2031			60,750.00	60,750.00	
09/30/2031					895,375.00
02/15/2032	565,000	5.000%	60,750.00	625,750.00	
08/15/2032			46,625.00	46,625.00	
09/30/2032					672,375.00
02/15/2033	590,000	5.000%	46,625.00	636,625.00	
08/15/2033			31,875.00	31,875.00	
09/30/2033					668,500.00
02/15/2034	620,000	5.000%	31,875.00	651,875.00	

BOND DEBT SERVICE

City of Rowlett, Texas
$32,240,000 General Obligation Refunding & Improvement Bonds, Series 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2034			16,375.00	16,375.00	
09/30/2034					668,250.00
02/15/2035	655,000	5.000%	16,375.00	671,375.00	
09/30/2035					671,375.00
	32,240,000		10,726,172.92	42,966,172.92	42,966,172.92

BOND DEBT SERVICE

City of Rowlett, Texas
$1,235,000 Limited Tax Notes, Series 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	165,000	0.630%	16,449.67	181,449.67	
08/15/2016			7,797.50	7,797.50	
09/30/2016					189,247.17
02/15/2017	175,000	0.840%	7,797.50	182,797.50	
08/15/2017			7,062.50	7,062.50	
09/30/2017					189,860.00
02/15/2018	175,000	1.120%	7,062.50	182,062.50	
08/15/2018			6,082.50	6,082.50	
09/30/2018					188,145.00
02/15/2019	175,000	1.360%	6,082.50	181,082.50	
08/15/2019			4,892.50	4,892.50	
09/30/2019					185,975.00
02/15/2020	180,000	1.570%	4,892.50	184,892.50	
08/15/2020			3,479.50	3,479.50	
09/30/2020					188,372.00
02/15/2021	180,000	1.790%	3,479.50	183,479.50	
08/15/2021			1,868.50	1,868.50	
09/30/2021					185,348.00
02/15/2022	185,000	2.020%	1,868.50	186,868.50	
09/30/2022					186,868.50
	1,235,000		78,815.67	1,313,815.67	1,313,815.67

BOND DEBT SERVICE

City of Rowlett, Texas
$3,750,000 General Obligation Refunding Taxable Bonds, Series 2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016			72,495.00	72,495.00	
08/15/2016	100,000	3.000%	72,495.00	172,495.00	
09/30/2016					244,990.00
02/15/2017			70,995.00	70,995.00	
08/15/2017	100,000	3.000%	70,995.00	170,995.00	
09/30/2017					241,990.00
02/15/2018			69,495.00	69,495.00	
08/15/2018	105,000	3.000%	69,495.00	174,495.00	
09/30/2018					243,990.00
02/15/2019			67,920.00	67,920.00	
08/15/2019	110,000	3.000%	67,920.00	177,920.00	
09/30/2019					245,840.00
02/15/2020			66,270.00	66,270.00	
08/15/2020	110,000	3.000%	66,270.00	176,270.00	
09/30/2020					242,540.00
02/15/2021			64,620.00	64,620.00	
08/15/2021	115,000	3.000%	64,620.00	179,620.00	
09/30/2021					244,240.00
02/15/2022			62,895.00	62,895.00	
08/15/2022	120,000	3.000%	62,895.00	182,895.00	
09/30/2022					245,790.00
02/15/2023			61,095.00	61,095.00	
08/15/2023	120,000	3.500%	61,095.00	181,095.00	
09/30/2023					242,190.00
02/15/2024			58,995.00	58,995.00	
08/15/2024	125,000	4.000%	58,995.00	183,995.00	
09/30/2024					242,990.00
02/15/2025			56,495.00	56,495.00	
08/15/2025	130,000	4.000%	56,495.00	186,495.00	
09/30/2025					242,990.00
02/15/2026			53,895.00	53,895.00	
08/15/2026	135,000	4.250%	53,895.00	188,895.00	
09/30/2026					242,790.00
02/15/2027			51,026.25	51,026.25	
08/15/2027	140,000	4.250%	51,026.25	191,026.25	
09/30/2027					242,052.50
02/15/2028			48,051.25	48,051.25	
08/15/2028	145,000	4.250%	48,051.25	193,051.25	
09/30/2028					241,102.50
02/15/2029			44,970.00	44,970.00	
08/15/2029	155,000	4.250%	44,970.00	199,970.00	
09/30/2029					244,940.00
02/15/2030			41,676.25	41,676.25	
08/15/2030	160,000	4.250%	41,676.25	201,676.25	
09/30/2030					243,352.50
02/15/2031			38,276.25	38,276.25	
08/15/2031	165,000	4.250%	38,276.25	203,276.25	
09/30/2031					241,552.50
02/15/2032			34,770.00	34,770.00	
08/15/2032	175,000	4.250%	34,770.00	209,770.00	
09/30/2032					244,540.00
02/15/2033			31,051.25	31,051.25	
08/15/2033	180,000	4.250%	31,051.25	211,051.25	
09/30/2033					242,102.50
02/15/2034			27,226.25	27,226.25	
08/15/2034	190,000	4.250%	27,226.25	217,226.25	
09/30/2034					244,452.50
02/15/2035			23,188.75	23,188.75	
08/15/2035	195,000	4.250%	23,188.75	218,188.75	
09/30/2035					241,377.50

BOND DEBT SERVICE

City of Rowlett, Texas
$3,750,000 General Obligation Refunding Taxable Bonds, Series 2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2036			19,045.00	19,045.00	
08/15/2036	205,000	4.250%	19,045.00	224,045.00	
09/30/2036					243,090.00
02/15/2037			14,688.75	14,688.75	
08/15/2037	215,000	4.250%	14,688.75	229,688.75	
09/30/2037					244,377.50
02/15/2038			10,120.00	10,120.00	
08/15/2038	225,000	4.400%	10,120.00	235,120.00	
09/30/2038					245,240.00
02/15/2039			5,170.00	5,170.00	
08/15/2039	235,000	4.400%	5,170.00	240,170.00	
09/30/2039					245,340.00
	3,655,000		2,188,860.00	5,843,860.00	5,843,860.00

BOND DEBT SERVICE

City of Rowlett, Texas
$7,910,000 General Obligation Refunding Bonds, Series 2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	165,000	3.000%	135,307.50	300,307.50	
08/15/2016			132,832.50	132,832.50	
09/30/2016					433,140.00
02/15/2017	170,000	3.000%	132,832.50	302,832.50	
08/15/2017			130,282.50	130,282.50	
09/30/2017					433,115.00
02/15/2018	180,000	3.000%	130,282.50	310,282.50	
08/15/2018			127,582.50	127,582.50	
09/30/2018					437,865.00
02/15/2019			127,582.50	127,582.50	
08/15/2019			127,582.50	127,582.50	
09/30/2019					255,165.00
02/15/2020			127,582.50	127,582.50	
08/15/2020			127,582.50	127,582.50	
09/30/2020					255,165.00
02/15/2021	1,340,000	5.000%	127,582.50	1,467,582.50	
08/15/2021			94,082.50	94,082.50	
09/30/2021					1,561,665.00
02/15/2022	1,405,000	5.000%	94,082.50	1,499,082.50	
08/15/2022			58,957.50	58,957.50	
09/30/2022					1,558,040.00
02/15/2023	1,455,000	2.500%	58,957.50	1,513,957.50	
08/15/2023			40,770.00	40,770.00	
09/30/2023					1,554,727.50
02/15/2024	1,490,000	2.700%	40,770.00	1,530,770.00	
08/15/2024			20,655.00	20,655.00	
09/30/2024					1,551,425.00
02/15/2025	1,530,000	2.700%	20,655.00	1,550,655.00	
09/30/2025					1,550,655.00
	7,735,000		1,855,962.50	9,590,962.50	9,590,962.50

BOND DEBT SERVICE

City of Rowlett, Texas
$17,155,000 General Obligation Refunding Bonds, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	1,495,000	3.000%	299,162.50	1,794,162.50	
08/15/2016			276,737.50	276,737.50	
09/30/2016					2,070,900.00
02/15/2017	1,540,000	3.000%	276,737.50	1,816,737.50	
08/15/2017			253,637.50	253,637.50	
09/30/2017					2,070,375.00
02/15/2018	1,595,000	3.000%	253,637.50	1,848,637.50	
08/15/2018			229,712.50	229,712.50	
09/30/2018					2,078,350.00
02/15/2019	1,640,000	3.000%	229,712.50	1,869,712.50	
08/15/2019			205,112.50	205,112.50	
09/30/2019					2,074,825.00
02/15/2020	1,680,000	3.000%	205,112.50	1,885,112.50	
08/15/2020			179,912.50	179,912.50	
09/30/2020					2,065,025.00
02/15/2021	1,745,000	4.000%	179,912.50	1,924,912.50	
08/15/2021			145,012.50	145,012.50	
09/30/2021					2,069,925.00
02/15/2022	1,820,000	5.000%	145,012.50	1,965,012.50	
08/15/2022			99,512.50	99,512.50	
09/30/2022					2,064,525.00
02/15/2023	1,915,000	5.000%	99,512.50	2,014,512.50	
08/15/2023			51,637.50	51,637.50	
09/30/2023					2,066,150.00
02/15/2024	2,020,000	5.000%	51,637.50	2,071,637.50	
08/15/2024			1,137.50	1,137.50	
09/30/2024					2,072,775.00
02/15/2025	15,000	3.250%	1,137.50	16,137.50	
08/15/2025			893.75	893.75	
09/30/2025					17,031.25
02/15/2026	15,000	3.250%	893.75	15,893.75	
08/15/2026			650.00	650.00	
09/30/2026					16,543.75
02/15/2027	15,000	3.250%	650.00	15,650.00	
08/15/2027			406.25	406.25	
09/30/2027					16,056.25
02/15/2028	10,000	3.250%	406.25	10,406.25	
08/15/2028			243.75	243.75	
09/30/2028					10,650.00
02/15/2029	15,000	3.250%	243.75	15,243.75	
09/30/2029					15,243.75
	15,520,000		3,188,375.00	18,708,375.00	18,708,375.00

BOND DEBT SERVICE

City of Rowlett, Texas
$9,000,000 General Obligation Refunding Bonds, Series 2011

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	1,155,000	3.000%	139,725	1,294,725	
08/15/2016			122,400	122,400	
09/30/2016					1,417,125
02/15/2017	1,180,000	3.000%	122,400	1,302,400	
08/15/2017			104,700	104,700	
09/30/2017					1,407,100
02/15/2018	1,225,000	4.000%	104,700	1,329,700	
08/15/2018			80,200	80,200	
09/30/2018					1,409,900
02/15/2019	805,000	4.000%	80,200	885,200	
08/15/2019			64,100	64,100	
09/30/2019					949,300
02/15/2020	830,000	4.000%	64,100	894,100	
08/15/2020			47,500	47,500	
09/30/2020					941,600
02/15/2021	865,000	4.000%	47,500	912,500	
08/15/2021			30,200	30,200	
09/30/2021					942,700
02/15/2022	740,000	4.000%	30,200	770,200	
08/15/2022			15,400	15,400	
09/30/2022					785,600
02/15/2023	770,000	4.000%	15,400	785,400	
09/30/2023					785,400
	7,570,000		1,068,725	8,638,725	8,638,725

BOND DEBT SERVICE

City of Rowlett, Texas
$10,825,000 General Obligation Refunding Bonds, Series 2010

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	1,025,000	3.500%	133,837.50	1,158,837.50	
08/15/2016			115,900.00	115,900.00	
09/30/2016					1,274,737.50
02/15/2017	1,060,000	4.000%	115,900.00	1,175,900.00	
08/15/2017			94,700.00	94,700.00	
09/30/2017					1,270,600.00
02/15/2018	935,000	4.000%	94,700.00	1,029,700.00	
08/15/2018			76,000.00	76,000.00	
09/30/2018					1,105,700.00
02/15/2019	975,000	4.000%	76,000.00	1,051,000.00	
08/15/2019			56,500.00	56,500.00	
09/30/2019					1,107,500.00
02/15/2020	1,015,000	4.000%	56,500.00	1,071,500.00	
08/15/2020			36,200.00	36,200.00	
09/30/2020					1,107,700.00
02/15/2021	1,050,000	4.000%	36,200.00	1,086,200.00	
08/15/2021			15,200.00	15,200.00	
09/30/2021					1,101,400.00
02/15/2022	760,000	4.000%	15,200.00	775,200.00	
09/30/2022					775,200.00
	6,820,000		922,837.50	7,742,837.50	7,742,837.50

BOND DEBT SERVICE

City of Rowlett, Texas
$26,280,000 Combination Tax & Limited Surplus Revenue Certificates of Obligation, Series 2006

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2016	1,105,000	4.250%	23,481.25	1,128,481.25	
09/30/2016					1,128,481.25
	1,105,000		23,481.25	1,128,481.25	1,128,481.25

TAB C

BOND DEBT SERVICE

City of Rowlett, Texas
$12,330,000 Waterworks & Sewer System Refunding Bonds, Series 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016	775,000	1.500%	231,245.95	1,006,245.95	
09/01/2016			212,115.63	212,115.63	
09/30/2016					1,218,361.58
03/01/2017	1,645,000	3.000%	212,115.63	1,857,115.63	
09/01/2017			187,440.63	187,440.63	
09/30/2017					2,044,556.26
03/01/2018	1,420,000	4.000%	187,440.63	1,607,440.63	
09/01/2018			159,040.63	159,040.63	
09/30/2018					1,766,481.26
03/01/2019	1,480,000	4.000%	159,040.63	1,639,040.63	
09/01/2019			129,440.63	129,440.63	
09/30/2019					1,768,481.26
03/01/2020	1,260,000	2.500%	129,440.63	1,389,440.63	
09/01/2020			113,690.63	113,690.63	
09/30/2020					1,503,131.26
03/01/2021	955,000	2.750%	113,690.63	1,068,690.63	
09/01/2021			100,559.38	100,559.38	
09/30/2021					1,169,250.01
03/01/2022	980,000	3.000%	100,559.38	1,080,559.38	
09/01/2022			85,859.38	85,859.38	
09/30/2022					1,166,418.76
03/01/2023	1,015,000	3.125%	85,859.38	1,100,859.38	
09/01/2023			70,000.00	70,000.00	
09/30/2023					1,170,859.38
03/01/2024	1,060,000	5.000%	70,000.00	1,130,000.00	
09/01/2024			43,500.00	43,500.00	
09/30/2024					1,173,500.00
03/01/2025	1,115,000	5.000%	43,500.00	1,158,500.00	
09/01/2025			15,625.00	15,625.00	
09/30/2025					1,174,125.00
03/01/2026	625,000	5.000%	15,625.00	640,625.00	
09/30/2026					640,625.00
	12,330,000		2,465,789.77	14,795,789.77	14,795,789.77

BOND DEBT SERVICE

City of Rowlett, Texas
$4,825,000 Waterworks & Sewer System Revenue Bonds, Series 2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016	175,000	3.000%	88,862.50	263,862.50	
09/01/2016			86,237.50	86,237.50	
09/30/2016					350,100.00
03/01/2017	180,000	3.000%	86,237.50	266,237.50	
09/01/2017			83,537.50	83,537.50	
09/30/2017					349,775.00
03/01/2018	185,000	3.000%	83,537.50	268,537.50	
09/01/2018			80,762.50	80,762.50	
09/30/2018					349,300.00
03/01/2019	190,000	3.500%	80,762.50	270,762.50	
09/01/2019			77,437.50	77,437.50	
09/30/2019					348,200.00
03/01/2020	195,000	3.500%	77,437.50	272,437.50	
09/01/2020			74,025.00	74,025.00	
09/30/2020					346,462.50
03/01/2021	205,000	3.500%	74,025.00	279,025.00	
09/01/2021			70,437.50	70,437.50	
09/30/2021					349,462.50
03/01/2022	210,000	3.750%	70,437.50	280,437.50	
09/01/2022			66,500.00	66,500.00	
09/30/2022					346,937.50
03/01/2023	220,000	4.000%	66,500.00	286,500.00	
09/01/2023			62,100.00	62,100.00	
09/30/2023					348,600.00
03/01/2024	230,000	4.000%	62,100.00	292,100.00	
09/01/2024			57,500.00	57,500.00	
09/30/2024					349,600.00
03/01/2025	240,000	4.000%	57,500.00	297,500.00	
09/01/2025			52,700.00	52,700.00	
09/30/2025					350,200.00
03/01/2026	250,000	4.000%	52,700.00	302,700.00	
09/01/2026			47,700.00	47,700.00	
09/30/2026					350,400.00
03/01/2027	260,000	4.000%	47,700.00	307,700.00	
09/01/2027			42,500.00	42,500.00	
09/30/2027					350,200.00
03/01/2028	270,000	4.000%	42,500.00	312,500.00	
09/01/2028			37,100.00	37,100.00	
09/30/2028					349,600.00
03/01/2029	280,000	4.000%	37,100.00	317,100.00	
09/01/2029			31,500.00	31,500.00	
09/30/2029					348,600.00
03/01/2030	290,000	4.000%	31,500.00	321,500.00	
09/01/2030			25,700.00	25,700.00	
09/30/2030					347,200.00
03/01/2031	300,000	4.000%	25,700.00	325,700.00	
09/01/2031			19,700.00	19,700.00	
09/30/2031					345,400.00
03/01/2032	315,000	4.000%	19,700.00	334,700.00	
09/01/2032			13,400.00	13,400.00	
09/30/2032					348,100.00
03/01/2033	330,000	4.000%	13,400.00	343,400.00	
09/01/2033			6,800.00	6,800.00	
09/30/2033					350,200.00
03/01/2034	340,000	4.000%	6,800.00	346,800.00	
09/30/2034					346,800.00
	4,665,000		1,960,137.50	6,625,137.50	6,625,137.50

BOND DEBT SERVICE

City of Rowlett, Texas
$8,525,000 Waterworks & Sewer System Revenue Bonds, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016	350,000	2.000%	111,246.88	461,246.88	
09/01/2016			107,746.88	107,746.88	
09/30/2016					568,993.76
03/01/2017	360,000	2.500%	107,746.88	467,746.88	
09/01/2017			103,246.88	103,246.88	
09/30/2017					570,993.76
03/01/2018	370,000	2.500%	103,246.88	473,246.88	
09/01/2018			98,621.88	98,621.88	
09/30/2018					571,868.76
03/01/2019	380,000	2.500%	98,621.88	478,621.88	
09/01/2019			93,871.88	93,871.88	
09/30/2019					572,493.76
03/01/2020	390,000	2.500%	93,871.88	483,871.88	
09/01/2020			88,996.88	88,996.88	
09/30/2020					572,868.76
03/01/2021	400,000	2.500%	88,996.88	488,996.88	
09/01/2021			83,996.88	83,996.88	
09/30/2021					572,993.76
03/01/2022	410,000	3.000%	83,996.88	493,996.88	
09/01/2022			77,846.88	77,846.88	
09/30/2022					571,843.76
03/01/2023	420,000	3.000%	77,846.88	497,846.88	
09/01/2023			71,546.88	71,546.88	
09/30/2023					569,393.76
03/01/2024	435,000	3.000%	71,546.88	506,546.88	
09/01/2024			65,021.88	65,021.88	
09/30/2024					571,568.76
03/01/2025	450,000	3.000%	65,021.88	515,021.88	
09/01/2025			58,271.88	58,271.88	
09/30/2025					573,293.76
03/01/2026	460,000	3.000%	58,271.88	518,271.88	
09/01/2026			51,371.88	51,371.88	
09/30/2026					569,643.76
03/01/2027	475,000	3.125%	51,371.88	526,371.88	
09/01/2027			43,950.00	43,950.00	
09/30/2027					570,321.88
03/01/2028	490,000	3.250%	43,950.00	533,950.00	
09/01/2028			35,987.50	35,987.50	
09/30/2028					569,937.50
03/01/2029	505,000	3.250%	35,987.50	540,987.50	
09/01/2029			27,781.25	27,781.25	
09/30/2029					568,768.75
03/01/2030	525,000	3.250%	27,781.25	552,781.25	
09/01/2030			19,250.00	19,250.00	
09/30/2030					572,031.25
03/01/2031	540,000	3.500%	19,250.00	559,250.00	
09/01/2031			9,800.00	9,800.00	
09/30/2031					569,050.00
03/01/2032	560,000	3.500%	9,800.00	569,800.00	
09/30/2032					569,800.00
	7,520,000		2,185,865.74	9,705,865.74	9,705,865.74

BOND DEBT SERVICE

City of Rowlett, Texas
$11,775,000 Waterworks & Sewer System Revenue Refunding & Improvement Bonds, Series 2006

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016	460,000	4.500%	10,350	470,350	
09/30/2016					470,350
	460,000		10,350	470,350	470,350

BOND DEBT SERVICE

City of Rowlett, Texas
$7,180,000 Waterworks & Sewer System Revenue Bonds, Series 2005A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016	355,000	4.000%	7,100	362,100	
09/30/2016					362,100
	355,000		7,100	362,100	362,100

TAB D

TAB 1

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's assigns Aa2 to Rowlett, TX $3M Ser. 2015 COs

Global Credit Research - 17 Nov 2015

Maintains Aa2 on $78.9M of outstanding debt

New York, November 17, 2015 --

Moody's Rating

Issue: Combination Tax And Limited Surplus Revenue Certificates of Obligation, Series 2015; Rating: Aa2; Sale Amount: $3,035,000; Expected Sale Date: 11/20/2015; Rating Description: General Obligation Limited Tax

OPINION

Moody's Investors Service has assigned a Aa2 rating to the City of Rowlett, TX $3.04 million Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015. At the same time, we have maintained the Aa2 on previously Moody's rated parity debt, totaling $78.9 million.

SUMMARY RATING RATIONALE

The Aa2 rating reflects the city's moderately sized and growing tax base, above average socioeconomic indicators, below average reserves, and elevated overall debt profile that is expected to remain manageable given favorable principal payout.

OUTLOOK

Moody's generally does not assign outlooks to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

• Trend of operating surpluses leading to significantly improved financial reserves

• Significant tax base expansion

• Reduced direct debt burden

WHAT COULD MAKE THE RATING GO DOWN

• Erosion of reserves below current levels or inability to increase reserves in-line with revenue growth

• Trend of tax base declines

OBLIGOR PROFILE

The City of Rowlett, TX is located in Dallas (Aaa) and Rockwall (Aa2) Counties. The city is located four miles east of Garland (NR) and 12 miles northeast of Dallas (Aa2/Stable). The 2010 census was 56,199, a 26.3% increase since 2000. The current estimated 2016 population of the City is 60,002.

LEGAL SECURITY

The certificates constitute direct obligations of the city, payable from the levy and collection of an annual ad valorem tax, within the limits prescribed by law. Although the current issuance benefits from surplus revenues of the water and sewer, the city does not intend to utilize any surplus to support these obligations.

USE OF PROCEEDS

Proceeds from the current issuance consisting of $3.035 million will be used for the design, construction, and equipping of improvements to the city's public safety radio system.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Summary:

Rowlett, Texas; General Obligation

18-Nov-2015

Current Ratings

Credit Profile		
US$3.035 mil comb tax and ltd surplus rev certs of oblig ser 2015		
Long Term Rating	AA/Stable	New
Rowlett GO		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed
Long Term Rating	AA/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to the City of **Rowlett**, Texas' series 2015 combination tax and limited surplus certificates of obligation. At the same time, Standard & Poor's affirmed its 'AA' rating on the city's general obligation (GO) debt outstanding. The outlook on all ratings is stable.

The series 2015 certificates are direct obligations of the city payable from the levy and collection of a direct and continuing ad valorem tax within Rowlett and payable from a pledge of surplus revenues from the city's waterworks and sewer system. We understand that proceeds from the sale of the certificates will be used for improvements to the city's public safety radio system. Although Rowland is pledging surplus net revenues of the waterworks and sewer system, we rate the bonds based on our local government GO criteria.

The GO bonds and certificates are secured by the city's levy of an annual ad valorem tax on all taxable property in Rowlett. The maximum allowable rate in Texas is $2.50 per $100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to $1.50. The city's levy is well below the maximum, at 78.7 cents, 20.9 cents of which is dedicated to debt service. Despite the limitations imposed by the state levy limit law, we did not make a rating distinction for the limited-tax GO pledge given the city's flexibility under the levy limit.

The rating reflects our view of the following factors for the city:

- Adequate economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with "good" financial policies and practices under our financial management assessment (FMA) methodology;
- Strong budgetary performance, with operating results that we expect could improve in the near term relative to fiscal 2014, which closed with an operating deficit in the general fund but an operating surplus at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2014 of 17% of operating expenditures;
- Very strong liquidity, with total government available cash of 85.5% of total governmental fund expenditures and 4.7x

governmental debt service, and access to external liquidity we consider strong;

- Weak debt and contingent liability position, with debt service carrying charges of 18.2% of expenditures and net direct debt that is 146.1% of total governmental fund revenue, but rapid amortization with 84.4% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Adequate economy

We consider Rowlett's economy adequate. The city, with an estimated population of 60,002, is located in Dallas and Rockwall counties in the Dallas-Fort Worth-Arlington MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 108.6% of the national level and per capita market value of $60,019. Overall, the city's market value grew by 10.0% over the past year to $3.6 billion in 2016. The weight-averaged unemployment rate of the counties was 5.3% in 2014.

Rowlett's market value, after previously experiencing slight declines due to general economic corrections, has rebounded to pre-recessionary levels. Management predicts continued growth in the future with more than an estimated $7 billion of new taxable value slated for the tax rolls over the next five years. In addition, as a result of the city's primary residential tax base, we expect Rowlett will continue to experience significant residential growth due to its location within the Metroplex, and given on our credit conditions forecast that projects increasing housing start-ups (see "**U.S. State And Local Government Credit Conditions Forecast: Growth Rules, With Regional Variation**," published Oct 20, 2015, on RatingsDirect). The city's tax base remains diverse, in or view, with the 10 leading taxpayers accounting for 4.1% of fiscal 2016 AV.

Strong management

We view the city's management as strong, with "good" financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Key practices include monthly financial updates to the city council that include budget-to-actual reports. Investment holdings and performance is also presented to the council on a quarterly basis. Rowlett forecasts its operating revenues and expenditures on a rolling five-year basis, with the end goal to maintain a minimum 13% of operating expenditures in its general fund reserve as dictated by formal policy for cash flow purposes. Annual revenue and expenditure assumptions include a multi-year lookback at revenue sources, as well as future developments that will add to the taxable base and incorporate forward-looking expenditure needs. The city also maintains a formal capital improvement plan (CIP) that identifies projects and funding sources on a three-year basis. The CIP is closely tied to Rowlett's bond program, which voters approve every three years. The city does not have a formal debt management plan.

Strong budgetary performance

Rowlett's budgetary performance is strong in our opinion. The city had deficit operating results in the general fund of 3.5% of expenditures, but a surplus result across all governmental funds of 3.0% in fiscal 2014. Our assessment accounts for the fact that we expect budgetary results could improve from 2014 results in the near term.

The city's general fund has posted net operating deficits the past three audited years. We believe these deficits are primarily attributable to the city's planned spend-down of its reserve levels to meet its target general fund balance policy of 13%. Some nonrecurring projects the city targeted in the past year included funds dedicated toward a new enterprise resource planning system, a phone system upgrade, and consulting fees for a master plan initiative. Halfway through fiscal 2014, the city council approved and executed a 3% across-the-board salary increase, which we view as recurring. Despite increasing expenditures, the city opted to forego an increase in taxes to structurally balance operations because its reserve levels were in excess of its target, which ultimately resulted in prior-year deficits.

Now that reserve levels are nearing management's goal, and given continued taxable growth, we believe the city will

demonstrate structurally balanced operations over the next two years. Our view of balanced operations in both the general fund and across all governmental funds is also based on the current year estimates and the city's five-year long-term financial plan. Year-end estimates for fiscal 2015, project the city will post at least break-even operations in both its general fund and across all governmental funds. In fiscal 2016, Rowlett's general fund balance is structurally balanced, and we believe the city could post a slight surplus. Across all governmental funds, a slight deficit is projected; however, we account this to planned spending in the city's economic development fund to launch a developing campaign.

Very strong budgetary flexibility

Rowlett's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2014 of 17% of operating expenditures, or $5.9 million.

We believe the city will end fiscal 2015 with a slight general fund surplus, and budget estimates for fiscal 2016 also suggest a slight general fund surplus. As a result, we believe management will maintain operating reserves at levels above 15% of expenditures, or what we consider to be very strong. Further, Rowlett has historically maintained reserves above 15% of expenditures as reported in its audited financial statements. The city's audited general fund balance includes some smaller governmental funds that are rolled into the city's general fund presentation, which we consider to be available. Although the city's formal fund balance policy calls for 13% in general fund reserve, we believe this formal target excludes the other available funds, which ultimately strengthen our view of the city's budgetary flexibility coupled with continued taxable growth and no plans to reduce current reserve levels.

Very strong liquidity

In our opinion, Rowlett's liquidity is very strong, with total government available cash of 85.5% of total governmental fund expenditures and 4.7x governmental debt service in 2014. In our view, the city has strong access to external liquidity if necessary.

We view the city as having strong access to external liquidity as demonstrated through its access to the market over the past decade. The city has issued GO- and revenue-backed bonds over the past 10 years. Rowlett has historically had what we consider to be very strong cash balances and, therefore, we do not believe its cash position will worsen over the next two years especially given that there are no significant plans to reduce reserve levels. Currently, all of the city's investments are invested in TexPool, federal and U.S. Treasury bonds, or commercial paper, and have maturities of less than one year.

Weak debt and contingent liability profile

In our view, Rowlett's debt and contingent liability profile is weak. Total governmental fund debt service is 18.2% of total governmental fund expenditures, and net direct debt is 146.1% of total governmental fund revenue. Direct debt of 84.4% is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

The city historically approaches voters every three years with respect to its bond program for capital projects, and voters most recently approved a $25.8 million package in May 2015. We believe that the remaining $15.7 million of that authorized debt will be issued over the next two years, but will not materially impact our view of the city's debt profile. City officials are currently in the planning phase of what its next bond referendum may include, but any additional debt from that referendum will be outside our two-year outlook period. Management is confident that future bond referendums will be approved given the current level of support within the community for the city's capital program. Rowlett's overall net direct debt as a percent of market value is 5.1%. Should this ratio increase above 10% as a result of overlapping issuers or a significant issuance of public improvement district (PID) bonds, which we believe management is considering, our view of the city's debt could weaken; however, we view this as unlikely given continued taxable growth.

Rowlett's combined pension and other postemployment benefits (OPEB) contributions totaled 6.1% of total governmental fund expenditures in 2014. The city made its full annual required pension contribution in 2014.

The city participates in the Texas Municipal Retirement System (TMRS), which is administered by the State of Texas. The unfunded pension liability through TMRS was $12.4 million as of Dec. 31, 2013, or about 87% funded. We believe the city will continue to make full payment over the next two years, and that pension obligations will remain less than 10% of total governmental expenditures.

Strong institutional framework

The **institutional framework score for Texas** municipalities is strong.

Outlook

The stable outlook reflects our opinion that we will not change the rating over the two-year outlook horizon. The outlook further reflects our view of the city's very strong reserves, which good management supports. In addition, the outlook reflects our opinion that Rowlett will continue to demonstrate balance operations across all funds.

Upside scenario

A higher rating would likely follow a significant expansion of the economic base, all else being equal.

Downside scenario

We would likely lower the rating if reserves deteriorate, and fall below the city's formal goal, triggered by a weakening in the city's budgetary performance.

Related Criteria And Research

Related Criteria

- USPF Criteria: **Assigning Issue Credit Ratings Of Operating Entities**, May 20, 2015
- USPF Criteria: **Local Government GO Ratings Methodology And Assumptions**, Sept. 12, 2013
- Criteria: **Use of CreditWatch And Outlooks**, Sept. 14, 2009
- USPF Criteria: **Debt Statement Analysis**, Aug. 22, 2006
- USPF Criteria: **Financial Management Assessment**, June 27, 2006

Related Research

- **S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency**, Sept. 12, 2013
- **Institutional Framework Overview: Texas Local Governments**

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MOODY'S
INVESTORS SERVICE

New Issue: Moody's revises outlook to negative on Rowlett, TX W&S System Rev Bonds; Affirms Aa3

Global Credit Research - 14 Jul 2015

Assigns Aa3 to 2015 bonds

ROWLETT (CITY OF) TX WATER AND SEWER ENTERPRISE
Combined Water & Sewer Enterprise
TX

Moody's Rating

ISSUE	RATING
Waterworks and Sewer System Revenue Refunding Bonds, Series 2015	Aa3

Sale Amount	$13,265,000
Expected Sale Date	07/21/15
Rating Description	Revenue: Government Enterprise

Moody's Outlook NEG

NEW YORK, July 14, 2015 --Moody's Investors Service has assigned a Aa3 rating to the City of Rowlett's (TX) $13.3 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2015. Concurrently, we have affirmed the Aa3 rating on the system's outstanding parity debt and revised the outlook to negative. Inclusive of current sale the system will have $28.4 million in outstanding parity debt.

SUMMARY RATING RATIONALE

The Aa3 rating reflects a moderately-sized water and sewer utility system, weakened financial metrics, adequate legal covenants, and elevated debt ratio with plans for future borrowing.

OUTLOOK

The negative outlook reflects the trend and expectation of continued weakened financial metrics, and narrowing of liquidity.

WHAT COULD MAKE THE RATING GO UP; (removal of negative outlook)

-Substantially improved unrestricted cash reserves, net working capital

-Improved debt service coverage

WHAT COULD MAKE THE RATING GO DOWN

-Lack of future rate adjustments necessary to maintain debt service coverage ratios

-Further erosion of unrestricted cash reserves

-Significant additional borrowing leading to further elevation of the system's debt ratio

STRENGTHS

-Moderately sized customer base located in the Dallas-Fort Worth metro area

-Adequate legal covenants

-Satisfactory debt service coverage levels

CHALLENGES

-Elevated debt ratio for the rating category with plans for additional borrowing

-Water consumption fluctuations due to water restrictions and subsequent lifting of restrictions enacted by the North Texas Municipal Water District

RECENT DEVELOPMENTS

Region has experienced heavy drought conditions and water restrictions. As of May 1, 2015 North Texas Municipal Water District lifted previously enacted water restrictions.

DETAILED RATING RATIONALE

SERVICE AREA AND SYSTEM CHARACTERISTICS: EXPANDING CUSTOMER BASE; WATER RESTRICTIONS LEAD TO DECLINING CONSUMPTION

Located approximately 20 miles from downtown Dallas (GOLT Aa1 stable), the waterworks and sewer system distributes water and collects wastewater for customers located within City of Rowlett (GOLT Aa2). We expect the system's customer base of 37,858 users (19,201 water customers; 18,657 wastewater customers) to expand over the next couple of years given the city's numerous planned residential and retail developments that are currently under various stages of planning or construction. Current resident wealth levels are above average, evidenced by median family income of 137% of national levels, and a below average unemployment rate of 3.9% as of March 2015.

The system purchases treated water from the North Texas Municipal Water District's regional water system (NTMWD; revenue rated Aa1 stable) under a 40-year take-or-pay contract. The water supply contract with NTMWD requires the system to purchase a minimum 3.2 billion gallons annually at the base rate of $1.92 per 1,000 gallons. NTMWD enacted water restrictions on all of its member and participant cites in fiscal 2012 through April 2015 including Rowlett. As result, Rowlett's water customers consumed 896 million fewer gallons in fiscal 2014 than in fiscal 2011, a 28.9% decrease.

The City of Garland (unrated) provides treatment of Rowlett's wastewater through a take-and-pay contract, expiring April 1, 2020. There are no minimum payments under the contract. The base sewer rate were increased 1.5% in October 2014 from $16.80 per month to $17.05 per month.

FINANCIAL OPERATIONS AND POSITION: UNEVEN FINANCIAL PERFORMANCE AND WEAKENED LIQUIDITY

The uneven financial performance of the water and sewer system is expected to continue driven by uncertainty regarding consumption. Over the past four years, net revenues have fluctuated wildly driven by water restrictions, drought conditions and large rate increases. The water restrictions that were put in place in 2012 resulted in net revenues declining to $7.4 million, resulting in a debt service coverage level of 1.54 times. To offset the restrictions, management increased water rates by 23.6% in 2013 which produced net revenues of $9.9 million and a stronger debt service coverage of 2.02 times. However, consumption continued to decline and 2014 ended with $8.1 million in net revenues, and a satisfactory 1.8 times debt service coverage. To combat the continued consumption decline, management again increased rates in 2015 and implemented a drought surcharge, which was expected to produce $1.2 million per year in additional revenue (4.4% of budgeted revenues). Year-to-date, management indicates that consumption is 7.1% below forecast driven by unseasonably wet weather. On May 1, 2015 the water restrictions were lifted but given the significant rainfall over the region it is unlikely that this will increase consumption prior to the end of fiscal year end. Additionally, management eliminated the drought surcharge when the water restrictions were lifted. Positively, management is forecasting a debt service coverage of approximately 3.4 times at year end, entirely driven by a declining debt service schedule. The system will likely need to issue additional debt in the future and future rating reviews will factor management's ability to maintain strong net revenues and coverage.

On average, the system annually budgets and transfers $3.5 million (total) to the city's General Fund (utility franchise fees and in-lieu-of-property taxes) and the Capital Projects Fund. Although not considered a reasonable operating and maintenance expense per the bond ordinance, when adjusting fiscal 2014 net revenues to reflect the transfer out, annual debt service coverage ratio decreases to a 1.05 times.

Liquidity

Draws on already narrow liquidity are expected to continue. The system ended fiscal 2014 with $3.3 million in unrestricted cash, equal to 70 days of cash on hand. The unrestricted cash position is equal to 19.2% of fiscal 2014 operations and maintenance expenditures (O&M) and is below the formal reserve requirement of 20%. Unrestricted cash declined from $4.5 million in fiscal 2013 (29.6% of O&M) as the system utilized cash for operating expenses and fixed costs during the fiscal year. Management expects liquidity to narrow further in 2015 ending the year with approximately $2.3 million (13.5% of fiscal 2014 O&M). Future rating reviews will assess the system's ability to improve cash position, failure to improve reserves above formal policy and more in line with similarly rated credits may result in downward pressure.

DEBT AND LEGAL COVENANTS: MODERATE YET MANAGEABLE DEBT BURDEN; STANDARD LEGAL COVENANTS

The system's high debt burden is expected to remain manageable despite future planned issuances. At fiscal year-end 2014, the system a debt ratio of 57.3%, which is well above the median for the rating category, but manageable given its favorable principal amortization (68.5% retired in 10 years) and descending debt service schedule. Fiscal 2014 debt payments on the system's Water and Sewer Revenue Bonds totaled $4.5 million, with net revenues of $8.1 million providing 1.80 times coverage. Officials indicate the system will issue approximately $5 million of parity revenue bonds in 2016 to continue rehabilitation and improvement of its existing water lines. Future review will assess the system's ability to effective structure debt issuances while maintaining favorable coverage levels.

Debt Structure

The system covenants to charge and collect rates for services rendered sufficient to pay all operating and maintenance costs and to produce net revenues equal to at least 1.20 times the principal and interest requirements on the outstanding bonds. The additional bonds test is equal to at least 1.25 times average annual debt service and 1.1 times maximum annual debt service. The debt service reserve fund equal to no less than the average annual debt service of all outstanding bonds.

Debt-Related Derivatives

The city is not party to any interest rate swaps or other derivative agreements.

Pensions and OPEB

Pension costs and other post-employment benefits associated with the employees of the enterprise are included in the city's operating expenditures and thus not included as a liability of the enterprise.

MANAGEMENT AND GOVERNANCE; RESERVES BELOW FORMAL POLICY

The system has unlimited rate-setting authority and reviews utility system rates annually by assessing capital needs, available cash, and fixed costs. Management has shown willingness to increase rates in an attempt to maintain stability. Rates were raised 10-15% over the past few years and a water restrictions surcharge was active from October 1, 2014 through April 30, 2015. The city has an adopted a formal fund balance policy to retain 20% of operating expenses not including debt service in unrestricted reserves, however, the system at the conclusion of fiscal 2014 maintained unrestricted reserves of $3.3 million (19.2% of O&M) with further declines expected in fiscal 2015.

KEY STATISTICS

-Asset Condition (remaining useful life): 16 years

-System Size (O&M): $16.9 million

-Service Area Wealth (MFI): 137% of US median

-Annual Debt Service Coverage: 1.80x

-Days Cash on Hand: 70 days

-Debt to Operating Revenues (2014): 1.13x

-Rate Covenant: 1.20x

-Debt Service Reserve Requirement: 100% of average annual debt service

OBLIGOR PROFILE

The system serves the City of Rowlett, TX and is located in Dallas (Aaa) and Rockwall (Aa2) Counties. The City's 2010 population was 118,296. The city is located four miles east of Garland (NR) and 12 miles northeast of Dallas (Aa1). The 2010 census was 56,199, a 26.3% increase since 2000.

LEGAL SECURITY

The revenue bonds are secured by a senior lien pledge of net water and sewer system revenues.

USE OF PROCEEDS

Proceeds from the sale will be used to refund a portion of the City's outstanding waterworks and sewer revenue bonds for a net present value savings of 4.39%. There is no extension of maturity.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in December 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Rationale

Outlook

Related Criteria And Research

Summary:

Rowlett Texas; Water/Sewer

Credit Profile		
US 13.265 mil wtrwks and swr sys rev rfdg bnds ser 2015 dtd 07/15/2015 due 03/01/2026		
ong Term Rating	A+/Stable	New
Rowlett wtrwks		
ong Term Rating	A+/Stable	Downgraded
Rowlett wtrwks swr		
Unenhanced Rating	A+(SPUR)/Stable	Downgraded

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services lowered its rating on Rowlett, Texas' water and sewer system bonds to 'A+' from 'AA-', reflecting increasing financial pressure on the water and sewer fund. At the same time, Standard & Poor's assigned its 'A+' rating to the city's series 2015 waterworks and sewer system revenue refunding and improvement bonds. The outlook is stable.

The rating reflects our opinion of the system's:

- Participation in the Dallas metropolitan area, which boosts income indicators and employment opportunities for the city's residents;
- Role as a distribution- and collection-only system, greatly reducing operating and financial risk; and
- Demonstrated willingness to pass along wholesale rate increases.

Partially offsetting these factors is our view of the system's weakening financial risk profile caused by conservation efforts and increasing take-or-pay water purchase requirements.

A first-lien net revenue pledge of the combined water and sewer systems secures the bonds. We understand that the city plans to use bond proceeds to refund a portion of its outstanding revenue bonds.

Rowlett is primarily a bedroom community about 15 miles northeast of Dallas on the western shore of Lake Ray Hubbard. Its access to Dallas has contributed to the population growing to an estimated 58,500. Although the city lacks a significant commercial presence, prominent transportation initiatives -- including the recent extension of the George Bush Turnpike to Interstate 30 and expansion of the Dallas Area Rapid Transit rail line into downtown Rowlett -- have improved transportation access and management expects this will result in significant residential and commercial development. Income indicators are what we consider very strong, with median household effective buying income (MHEBI) equal to 150% of the national average. Current unemployment is very low, in our view, at less than 4%, and has historically tracked lower than the national average.

The system's customer base has remained stable, currently serving about 19,200 water customers and 18,700 sewer

customers, with very little growth in the last few years. We consider the system's customer base very diverse, with the 10 largest customers accounting for only 3% of total operating revenues. The water system is a full-requirements customer of North Texas Municipal Water District (NTMWD) for treated water, and sends its wastewater to the City of Garland for treatment. The NTMWD agreement is take-or-pay with a minimum purchase requirement of 3.192 billion gallons per year, which the city has not exceeded for several years.

Due to previous drought conditions and conservation efforts, followed by a period of significant rainfall, the city's water sales have continued to decline. In the past five years, operating revenues have ranged from 21.7 million (2010) to 25.4 million (2013). Offset by routine operating expenditures, net revenues (excluding transfers) available for debt service ranged from 7.4 million (2012) to 10.3 million (2011). While the annual debt service on the systems revenue bonds is only about 3.5 million each year, the water and sewer system also supports a portion of the city's general obligation debt. Management expects this support to total 1.4 million in 2015. Transfers are also made to the general fund for payments in lieu of taxes and franchise fees. We consider all of these operating expenses of the water and sewer fund. We also treat the take-or-pay requirements to NTMWD as debt-like obligations rather than an operating expense. When considering all obligations, debt service coverage in fiscal 2014 was, in our opinion, barely adequate at just over 1.0x. This pressure is anticipated to continue as NTMWD will likely be raising its wholesale rates.

Regarding system liquidity, fiscal 2014 ended with unrestricted cash and investments of 3.25 million, which equaled only about 62 days of operation when considering transfers to the general fund as an operating expense. Management doesn't expect this level to decline. Management adjusts rates annually to pass along any rate increases from NTMWD and Garland. A current combined water and sewer bill for 8,000 gallons of usage totals about 112, which is high relative to surrounding utilities, but affordable; however, this accounts for only about 2% of the city's MHEBI. Assuming NTMWD continues to raise rates, management will continue to pass those increases through to customers. As the system is primarily a distribution and collection system, capital needs are limited, with no plans for additional debt until 2018.

Outlook

The stable outlook reflects Standard & Poor's expectation that management will continue to raise rates as necessary to offset any further reduction in water sales and to mirror rate increases from NTMWD. However, this will still likely result in thin coverage of all system obligations. We do not anticipate a further negative rating action, given the city's strong economy. Conversely, we do not foresee an upgrade, given the likelihood of continued financial pressure.

Related Criteria And Research

Related Criteria

- USPF Criteria: Key Water And Sewer Utility Credit Ratio Ranges, Sept. 15, 2008
- USPF Criteria: Standard Poor's Revises Criteria For Rating Water, Sewer, And Drainage Utility Revenue Bonds, Sept. 15, 2008
- USPF Criteria: Methodology: Definitions And Related Analytic Practices For Covenant And Payment Provisions In U.S. Public Finance Revenue Obligations, Nov. 29, 2011

- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- U.S. State And Local Government Credit Conditions Forecast, April 2, 2015
- U.S. Municipal Water And Sewer Utilities 2014 Sector Outlook: Learning To Do More With Less, Jan. 9, 2014
- 2014 Review Of U.S. Municipal Water And Sewer Ratings: How They Correlate With Key Economic And Financial Ratios, May 12, 2014

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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TAB 2

FINANCIAL STATEMENT

FOR OTHER BONDS OF THE CITY, SEE SEPARATE TEXAS MUNICIPAL REPORT.

FINANCIAL STATEMENT (As of September 30, 2015)

Taxable Assessed Valuation, 2015 (100% of Market)	$3,587,455,377
Contract Debt	$112,440
New Debt	$2,885,000
Outstanding Debt	75,880,000
Total General Obligation Debt	$78,877,440
Less: Self-Supporting (a)	
Water & Sewer	11,146,048
Golf Course	3,655,000
Drainage	201,773
GO Debt payable from Ad Valorem Taxes	$63,874,619
Less: I&S Fund	1,099,000(b)
Net Debt	$62,775,619

(a) The Financial Advisor reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.
(b) Unaudited.

Net Debt Per Net Assessed Valuation - 1.75%
Net Debt Per Sq mile - $3,107,703.91

Net Debt Per Capita - $1,046.23
Net Assessed Valuation Per Capita - $59,788.93

Bureau of Census Pop: 2000 - 44,503
Bureau of Census Pop: 2010 - 56,306
2016 Estimated Population - 60,002
Area: 20.20 Sq mile

PAYMENT RECORD: Never defaulted.

MATERIAL EVENT NOTICE (February 16, 2012) The City, by way of an administrative error, failed to provide funds to U.S. Bank Corporate Trust Services (the "paying agent"), to pay the coupon due February 15, 2012 for the Combination Tax & Limited Surplus Revenue C/O Series 2006. The City was timely with the wiring of funds for their remaining February 15, 2012 requirements.

The City wired funds to the paying agent on February 16, 2012 to satisfy the obligation. The City is examining its administrative procedures and making the necessary changes to remedy future oversights.

TAX DATA

Tax Year	Assessed Valuation(a)	Tax Rate	Adjusted Levy	% Collected within FY	Total % Collected as of 09/30/2014(b)
2009	$3,285,713,211	$0.7472	$24,432,408	98.23	99.79
2010	3,220,265,191	0.7472	23,945,717	98.77	99.79
2011	3,171,899,616	0.7472	23,605,280	98.86	99.76
2012	3,124,841,950	0.7472	23,111,627	99.10	99.64
2013	3,116,498,883	0.7472	23,072,444	99.27	99.27
2014	3,274,028,998	0.7872	25,773,156	98.29(c)	98.29(c)
2015	3,587,455,377	0.7872	28,239,014		

(a) Includes captured appraised value of TIRZ #1.
(b) Delinquent tax collections are allocated to the respective years in which the taxes are levied.
(c) Unaudited.

Tax Rate Distribution	2015	2014	2013	2012
Operations	$0.5779	$0.5498	$0.5048	$0.4927
I&S	0.2093	0.2374	0.2424	0.2545
Totals	$0.7872	$0.7872	$0.7472	$0.7472

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population - $2.50 per $100 assessed valuation. City operates under a Home Rule Charter which adopts the constitutional provisions.

TAX INCREMENT REINVESTMENT ZONE On December 17, 2002, as amended April 15, 2003, the City Council approved the creation of Tax Increment Financing Reinvestment Zone #1 (TIRZ). The TIRZ is approximately 1,737 acres which includes the area within the Technology Research, Downtown, and Entertainment Waterfront districts. Public improvement projects included in the preliminary TIRZ project plan are as follows: water system, sewer system, streets, parks, and emergency services. The City's Tax Increment Base Value for the TIRZ is $28,131,036. As development in the Zone has not begun, the increases of the taxable value in the Zone have been minimal. The City expects to contribute 100% of the tax increments collected by the City into the Zone fund to be used for Zone project. It includes three main subareas divided as follows:

Technology-Research ("TR") subarea	1,207.46
Downtown ("DT") subarea	207.01
Entertainment-Waterfront ("EW") subarea	323.29
Total	1,737.76

Tax Year	Captured TIRZ #1 Valuation
2009	$69,076,426
2010	40,244,932
2011	39,641,258
2012	42,104,006
2013	46,700,420
2014	45,840,160
2015	53,822,120

Effective October 1, 2013, the City discontinued contributing property tax dollars to the TIRZ.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A, Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Net allocations on calendar year basis are as follows:

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2012	1.000%	$5,010,216	21.67%	$0.16
2013	1.000	5,356,964	23.21	0.17
2014	1.000	5,685,060	22.05	0.17
2015	1.000	6,032,787	21.36	0.17

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 9/30/2015)

Comb Tax & Ltd Surplus Rev C/O Ser 2006

Tax Treatment:	Tax Exempt
Original Issue Amount	$26,280,000.00
Dated Date:	06/15/2006
Sale Date:	06/27/2006
Delivery Date:	07/27/2006
Sale Type:	Negotiated
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2007

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Southwest Securities
Co-Manager: RBC Capital Markets

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Insurance: National Public Finance Guarantee Corporation

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed $1,000

Drainage 18.26%

Use of Proceeds: Fire Station, Road, Streets, Alley, Renovation of Existing Facilities, Drainage.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	1,105,000.00	4.2500%	4.400%
			$1,105,000.00

Call Option: Non Callable

Refunded Notes: Maturities refunded by GO Ref & Imp Bds Ser 2015

Refunded Amount	Mat Date	Coupon	Price	Sched Call
1,160,000.00	02/15/2017	4.750	Par	02/15/2016
2,495,000.00	02/15/2019	4.700	Par	02/15/2016
1,335,000.00	02/15/2020	4.625	Par	02/15/2016
2,865,000.00	02/15/2022	5.000	Par	02/15/2016
3,170,000.00	02/15/2024	5.000	Par	02/15/2016
3,515,000.00	02/15/2026	5.125	Par	02/15/2016
1,855,000.00	02/15/2031	5.125	Par	02/15/2016

GO Ref Bds Ser 2010

Tax Treatment: Bank Qualified
Original Issue Amount $10,825,000.00
Dated Date: 06/15/2010
Sale Date: 06/15/2010
Delivery Date: 07/13/2010
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2010

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Stephens Inc.

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased remainder of mty(s) 2/15/2011-/15/2013, 2/15/2017 of GO Ref & Imp Bds Ser 97 @ par.
This issue defeased mty(s) 2/15/2012-2/15/2019, 2/15/2021 of Comb Tax & Ltd Surplus Rev C/O Ser 2001 @ par.
This issue defeased mty(s) 02/15/2012-02/15/2015, 02/15/2019-02/15/2021, 02/15/2018 of GO Bds Ser 2001 @ par.
This issue defeased mty(s) 2/15/2012-2/15/2022 of Comb Tax & Ltd Surplus Rev C/O Ser 2002 @ par.
This issue defeased mty(s) 2/15/2012-2/15/2022 of GO Bds Ser 2002 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	1,025,000.00	3.5000%	2.500%
02/15/2017	1,060,000.00	4.0000%	2.800%
02/15/2018	935,000.00	4.0000%	3.050%
02/15/2019	975,000.00	4.0000%	3.250%
02/15/2020	1,015,000.00	4.0000%	3.450%
02/15/2021	1,050,000.00	4.0000%	3.550%
02/15/2022	760,000.00	4.0000%	3.650%
			$6,820,000.00

Call Option: Bonds maturing on 02/15/2021 to 02/15/2022 callable in whole or in part on any date beginning 02/15/2020 @ par.

GO Ref Bds Ser 2011

Tax Treatment: Bank Qualified
Original Issue Amount $9,000,000.00
Dated Date: 10/01/2011
Sale Date: 10/12/2011
Delivery Date: 11/14/2011
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2012

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Stephens Inc.
Underwriter's Counsel: West & Associates LLP

Water & Sewer 10.37%

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 2/15/2015-2/15/2023 of Comb Tax & Ltd Surplus Rev C/O Ser 2003 @ par.
This issue defeased mty(s) 2/15/2015-2/15/2023 of GO Bds Ser 2003-A @ par.
This issue defeased mty(s) 2/15/2016-2/15/2018, and $315,000.00 of 2/15/2015 of GO Ref Bds Ser 2004 @ par.
This issue defeased mty(s) 03/01/2013-03/01/2019, 03/01/2021 of WW & SS Rev Bds Ser 2001 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	1,155,000.00	3.0000%	1.550%
02/15/2017	1,180,000.00	3.0000%	1.850%
02/15/2018	1,225,000.00	4.0000%	2.125%
02/15/2019	805,000.00	4.0000%	2.450%
02/15/2020	830,000.00	4.0000%	2.700%
02/15/2021	865,000.00	4.0000%	2.800%
02/15/2022	740,000.00	4.0000%	2.950%
02/15/2023	770,000.00	4.0000%	3.050%
			$7,570,000.00

Call Option: Bonds maturing on 02/15/2022 to 02/15/2023 callable in whole or in part on any date beginning 02/15/2021 @ par.

GO Ref Bds Ser 2012

Tax Treatment: Tax Exempt
Original Issue Amount $17,155,000.00
Dated Date: 06/01/2012
Sale Date: 06/05/2012
Delivery Date: 07/10/2012
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2012

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Comerica Securities
Co-Manager: BOSC, Inc.
Underwriter's Counsel: West & Associates LLP

Water & Sewer 63.44%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
WW & SS Rev Bds Ser 2004A

Refunded Amount	Mat Date	Sched Call	Price
895,000.00	03/01/2015	03/01/2014	Par
935,000.00	03/01/2016	03/01/2014	Par
985,000.00	03/01/2017	03/01/2014	Par

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1,035,000.00	03/01/2018	03/01/2014	Par
1,085,000.00	03/01/2019	03/01/2014	Par
1,140,000.00	03/01/2020	03/01/2014	Par
1,200,000.00	03/01/2021	03/01/2014	Par
1,260,000.00	03/01/2022	03/01/2014	Par
1,325,000.00	03/01/2023	03/01/2014	Par
1,395,000.00	03/01/2024	03/01/2014	Par

GO Bds Ser 2004A

Refunded Amount	Mat Date	Sched Call	Price
295,000.00	02/15/2015	02/15/2014	Par
305,000.00	02/15/2016	02/15/2014	Par
320,000.00	02/15/2017	02/15/2014	Par
335,000.00	02/15/2018	02/15/2014	Par
350,000.00	02/15/2019	02/15/2014	Par
365,000.00	02/15/2020	02/15/2014	Par
385,000.00	02/15/2021	02/15/2014	Par
400,000.00	02/15/2022	02/15/2014	Par
420,000.00	02/15/2023	02/15/2014	Par
440,000.00	02/15/2024	02/15/2014	Par

Comb Tax & Ltd Surplus Rev C/O Ser 2004

Refunded Amount	Mat Date	Sched Call	Price
180,000.00	02/15/2015	02/15/2014	Par
195,000.00	02/15/2016	02/15/2014	Par
195,000.00	02/15/2017	02/15/2014	Par
215,000.00	02/15/2018	02/15/2014	Par
225,000.00	02/15/2019	02/15/2014	Par
230,000.00	02/15/2020	02/15/2014	Par
240,000.00	02/15/2021	02/15/2014	Par
250,000.00	02/15/2022	02/15/2014	Par
260,000.00	02/15/2023	02/15/2014	Par
275,000.00	02/15/2024	02/15/2014	Par
605,000.00	02/15/2029	02/15/2014	Par

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	1,495,000.00	3.0000%	0.940%
02/15/2017	1,540,000.00	3.0000%	1.210%
02/15/2018	1,595,000.00	3.0000%	1.480%
02/15/2019	1,640,000.00	3.0000%	1.730%
02/15/2020	1,680,000.00	3.0000%	2.000%
02/15/2021	1,745,000.00	4.0000%	2.250%
02/15/2022	1,820,000.00	5.0000%	2.400%
02/15/2023	1,915,000.00	5.0000%	2.550%
02/15/2024	2,020,000.00	5.0000%	2.690%
02/15/2029T	70,000.00	3.2500%	3.470%
			$15,520,000.00

Call Option: Bonds maturing on 02/15/2023 to 02/15/2024 and term bonds maturing on 02/15/2029 callable in whole or in part on any date beginning 02/15/2022 @ par.

Term Call: Term bonds maturing on 02/15/2029:

Mandatory Redemption Date	Principal Amount
02/15/2025	$15,000
02/15/2026	$15,000
02/15/2027	$15,000
02/15/2028	$10,000
02/15/2029	$15,000

GO Ref Bds Ser 2013

Tax Treatment:	Bank Qualified
Original Issue Amount	$7,910,000.00
Dated Date:	12/19/2013
Sale Date:	11/19/2013
Delivery Date:	12/19/2013
Sale Type:	Competitive
TIC:	2.4357%
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2014

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Robert W. Baird & Co., Inc.
Co-Manager: CL King & Associates
Co-Manager: Country Club Bank
Co-Manager: Cronin & Co.
Co-Manager: Davenport & Co. LLC
Co-Manager: Duncan-Williams, Inc.
Co-Manager: Edward Jones
Co-Manager: Isaak Bond
Co-Manager: Kildare Capital, Inc.
Co-Manager: Loop Capital Markets LLC
Co-Manager: Northland Securities
Co-Manager: Ross, Sinclaire & Associates, Inc.
Co-Manager: Vining-Sparks IBG

Water & Sewer 6.66%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
WW & SS Rev Ref Bds Ser 2004

Refunded Amount	Mat Date	Sched Call	Price
170,000	03/01/2016	03/01/2014	Par
180,000	03/01/2017	03/01/2014	Par
190,000	03/01/2018	03/01/2014	Par

Comb Tax & Ltd Surplus Rev C/O Ser 2005

Refunded Amount	Mat Date	Sched Call	Price
1,340,000	02/15/2021	02/15/2015	Par
1,405,000	02/15/2022	02/15/2015	Par
1,465,000	02/15/2023	02/15/2015	Par
1,530,000	02/15/2024	02/15/2015	Par
1,595,000	02/15/2025	02/15/2015	Par

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	165,000.00	3.0000%	0.500%
02/15/2017	170,000.00	3.0000%	0.750%
02/15/2018	180,000.00	3.0000%	1.100%
02/15/2021	1,340,000.00	5.0000%	2.000%
02/15/2022	1,405,000.00	5.0000%	2.250%
02/15/2023	1,455,000.00	2.5000%	2.400%
02/15/2025T	3,020,000.00	2.7000%	100.00%
			$7,735,000.00

Call Option: Term bonds maturing on 02/15/2025 callable in whole or in part on any date beginning 02/15/2023 @ par.

Term Call: Term bonds maturing on 02/15/2025:

Mandatory Redemption Date	Principal Amount
02/15/2024	$1,490,000
02/15/2025	$1,530,000

GO Ref Bds Taxable Ser 2014

Tax Treatment:	Taxable
Original Issue Amount	$3,750,000.00
Dated Date:	07/15/2014
Sale Date:	07/10/2014
Delivery Date:	08/14/2014
Sale Type:	Competitive
TIC:	4.1287%
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2015

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Raymond James

Golf Course 100.00%

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Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
GO Bds Taxable Ser 97A

Refunded Amount	Mat Date	Coupon	Price	Sched Call
4,665,000.00*	08/15/2026	5.870	Par	08/15/2014

* Partial Maturity

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
08/15/2016	100,000.00	3.0000%	1.100%
08/15/2017	100,000.00	3.0000%	1.400%
08/15/2018	105,000.00	3.0000%	2.000%
08/15/2019	110,000.00	3.0000%	2.200%
08/15/2020	110,000.00	3.0000%	2.550%
08/15/2021	115,000.00	3.0000%	2.800%
08/15/2022	120,000.00	3.0000%	100.00%
08/15/2023	120,000.00	3.5000%	3.350%
08/15/2024	125,000.00	4.0000%	3.500%
08/15/2025	130,000.00	4.0000%	3.650%
08/15/2037T	2,060,000.00	4.2500%	100.00%
08/15/2039T	460,000.00	4.4000%	4.500%

----------$3,655,000.00

Call Option: Bonds maturing on 08/15/2025 and term bonds maturing on 08/15/2037 and 08/15/2039 callable in whole or in part on any date beginning 08/15/2024 @ par.

Term Call: Term bonds maturing on 08/15/2037:

Mandatory Redemption Date	Principal Amount
08/15/2026	$135,000
08/15/2027	$140,000
08/15/2028	$145,000
08/15/2029	$155,000
08/15/2030	$160,000
08/15/2031	$165,000
08/15/2032	$175,000
08/15/2033	$180,000
08/15/2034	$190,000
08/15/2035	$195,000
08/15/2036	$205,000
08/15/2037	$215,000

Term bonds maturing on 08/15/2039:

Mandatory Redemption Date	Principal Amount
08/15/2038	$225,000
08/15/2039	$235,000

Ltd Tax Notes Ser 2015

Tax Treatment:	Tax Exempt
Original Issue Amount	$1,235,000.00
Dated Date:	01/20/2015
Sale Date:	01/20/2015
Delivery Date:	02/19/2015
Sale Type:	Private Placement
Record Date:	MSRB
Bond Form:	FR
Denomination	$1,235,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2016

Paying Agent: Amegy Bank, N.A., Plano, TX
Bond Counsel: McCall, Parkhurst & Horton
Financial Advisor: First Southwest Company, Dallas, TX
Purchaser: Zions First National Bank, Houston, TX

Use of Proceeds: Library.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	165,000.00	0.6300%	N/A
02/15/2017	175,000.00	0.8400%	N/A
02/15/2018	175,000.00	1.1200%	N/A
02/15/2019	175,000.00	1.3600%	N/A
02/15/2020	180,000.00	1.5700%	N/A
02/15/2021	180,000.00	1.7900%	N/A
02/15/2022	185,000.00	2.0200%	N/A

----------$1,235,000.00

Call Option: Bonds maturing on 02/15/2017 to 02/15/2022 callable in whole or in part on any date beginning 02/15/2016 @ par.

GO Ref & Imp Bds Ser 2015

Tax Treatment:	Tax Exempt
Original Issue Amount	$32,240,000.00
Dated Date:	07/15/2015
Sale Date:	07/21/2015
Delivery Date:	08/20/2015
Sale Type:	Negotiated
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2016

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: BOSC, Inc.
Co-Manager: Coastal Securities, Inc.
Co-Manager: Robert W. Baird & Co., Inc.
Underwriter's Counsel: Bracewell & Giuliani LLP, Dallas, TX

Use of Proceeds: Refunding, Streets, Parks & Recreation, Public Safety.

Refunding Notes: This bond refunded maturities from the following issues:
GO Ref Bds Ser 2005

Refunded Amount	Mat Date	Coupon	Price	Sched Call
745,000.00	02/15/2016	4.000	Par	09/22/2015
775,000.00	02/15/2017	4.500	Par	09/22/2015
615,000.00	02/15/2018	4.500	Par	09/22/2015
640,000.00	02/15/2019	4.500	Par	09/22/2015
320,000.00	02/15/2020	4.500	Par	09/22/2015

Comb Tax & Ltd Surplus Rev C/O Ser 2005

Refunded Amount	Mat Date	Coupon	Price	Sched Call
1,090,000.00	02/15/2016	4.000	Par	09/22/2015
1,130,000.00	02/15/2017	4.125	Par	09/22/2015
1,180,000.00	02/15/2018	4.125	Par	09/22/2015
1,225,000.00	02/15/2019	4.250	Par	09/22/2015
1,280,000.00	02/15/2020	4.250	Par	09/22/2015

Comb Tax & Ltd Surplus Rev C/O Ser 2006

Refunded Amount	Mat Date	Coupon	Price	Sched Call
1,160,000.00	02/15/2017	4.750	Par	02/15/2016
2,495,000.00	02/15/2019	4.700	Par	02/15/2016
1,335,000.00	02/15/2020	4.625	Par	02/15/2016
2,865,000.00	02/15/2022	5.000	Par	02/15/2016
3,170,000.00	02/15/2024	5.000	Par	02/15/2016
3,515,000.00	02/15/2026	5.125	Par	02/15/2016
1,855,000.00	02/15/2031	5.125	Par	02/15/2016

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	2,145,000.00	3.0000%	0.500%
02/15/2017	3,355,000.00	4.0000%	0.710%
02/15/2018	3,295,000.00	5.0000%	1.050%
02/15/2019	3,325,000.00	5.0000%	1.290%
02/15/2020	3,145,000.00	5.0000%	1.520%
02/15/2021	1,620,000.00	5.0000%	1.820%
02/15/2022	1,705,000.00	5.0000%	2.130%
02/15/2023	1,795,000.00	5.0000%	2.370%
02/15/2024	1,890,000.00	5.0000%	2.520%
02/15/2025	1,985,000.00	5.0000%	2.670%
02/15/2026	2,095,000.00	5.0000%	2.810%
02/15/2027	635,000.00	4.0000%	3.080%
02/15/2028	660,000.00	4.0000%	3.270%

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02/15/2029	685,000.00	4.0000%	3.470%
02/15/2031T	1,475,000.00	5.0000%	3.220%
02/15/2033T	1,155,000.00	5.0000%	3.320%
02/15/2035T	1,275,000.00	5.0000%	3.400%
			$32,240,000.00

Call Option: Bonds maturing on 02/15/2025 to 02/15/2029 and term bonds maturing on 02/15/2031 and 02/15/2033 and 02/15/2035 callable in whole or in part on any date beginning 02/15/2024 @ par.

Term Call: Term bonds maturing on 02/15/2031:

Mandatory Redemption Date	Principal Amount
02/15/2030	$720,000
02/15/2031	$755,000

Term bonds maturing on 02/15/2033:

Mandatory Redemption Date	Principal Amount
02/15/2032	$565,000
02/15/2033	$590,000

Term bonds maturing on 02/15/2035:

Mandatory Redemption Date	Principal Amount
02/15/2034	$620,000
02/15/2035	$655,000

Comb Tax & Ltd Surplus Rev C/O Ser 2015

Tax Treatment:	Tax Exempt
Original Issue Amount	$2,885,000.00
Dated Date:	12/01/2015
Sale Date:	12/01/2015
Delivery Date:	12/31/2015
Sale Type:	Competitive
TIC:	2.5434%
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2016

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: BOSC, Inc.

Security : Limited Tax and a lien on the Surplus revenues of the Water & Sewer system not to exceed $1,000.

Use of Proceeds: Radio Equipment.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	185,000.00	3.0000%	0.220%
02/15/2017	155,000.00	3.0000%	0.570%
02/15/2018	160,000.00	3.0000%	0.960%
02/15/2019	165,000.00	3.0000%	1.170%
02/15/2020	170,000.00	3.0000%	1.360%
02/15/2021	175,000.00	3.0000%	1.570%
02/15/2022	180,000.00	4.0000%	1.760%
02/15/2023	185,000.00	4.0000%	1.970%
02/15/2024	195,000.00	4.0000%	2.170%
02/15/2025	200,000.00	4.0000%	2.340%
02/15/2026	210,000.00	3.0000%	2.560%
02/15/2027	215,000.00	3.0000%	2.690%
02/15/2028	225,000.00	3.0000%	2.840%
02/15/2029	230,000.00	3.0000%	3.010%
02/15/2030	235,000.00	3.0000%	3.140%
			$2,885,000.00

Call Option: Bonds maturing on 02/15/2026 to 02/15/2030 callable in whole or in part on any date beginning 02/15/2025 @ par.

Grand Total ==========> $78,765,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/16	7,540,000.00	3,067,212.59	10,607,212.59
09/30/17	7,735,000.00	2,858,615.00	10,593,615.00
09/30/18	7,670,000.00	2,565,325.00	10,235,325.00
09/30/19	7,195,000.00	2,259,605.00	9,454,605.00
09/30/20	7,130,000.00	1,964,627.00	9,094,627.00
09/30/21	7,090,000.00	1,665,203.00	8,755,203.00
09/30/22	6,915,000.00	1,351,598.50	8,266,598.50
09/30/23	6,240,000.00	1,059,242.50	7,299,242.50
09/30/24	5,720,000.00	803,240.00	6,523,240.00
09/30/25	3,860,000.00	601,951.25	4,461,951.25
09/30/26	2,455,000.00	466,458.75	2,921,458.75
09/30/27	1,005,000.00	388,783.75	1,393,783.75
09/30/28	1,040,000.00	349,927.50	1,389,927.50
09/30/29	1,085,000.00	309,633.75	1,394,633.75
09/30/30	1,115,000.00	264,127.50	1,379,127.50
09/30/31	920,000.00	216,927.50	1,136,927.50
09/30/32	740,000.00	176,915.00	916,915.00
09/30/33	770,000.00	140,602.50	910,602.50
09/30/34	810,000.00	102,702.50	912,702.50
09/30/35	850,000.00	62,752.50	912,752.50
09/30/36	205,000.00	38,090.00	243,090.00
09/30/37	215,000.00	29,377.50	244,377.50
09/30/38	225,000.00	20,240.00	245,240.00
09/30/39	235,000.00	10,340.00	245,340.00
	78,765,000.00	20,773,498.59	99,538,498.59

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2016	7,540,000.00	09.57%
09/30/2017	7,735,000.00	19.39%
09/30/2018	7,670,000.00	29.13%
09/30/2019	7,195,000.00	38.27%
09/30/2020	7,130,000.00	47.32%
09/30/2021	7,090,000.00	56.32%
09/30/2022	6,915,000.00	65.10%
09/30/2023	6,240,000.00	73.02%
09/30/2024	5,720,000.00	80.28%
09/30/2025	3,860,000.00	85.18%
09/30/2026	2,455,000.00	88.30%
09/30/2027	1,005,000.00	89.58%
09/30/2028	1,040,000.00	90.90%
09/30/2029	1,085,000.00	92.27%
09/30/2030	1,115,000.00	93.69%
09/30/2031	920,000.00	94.86%
09/30/2032	740,000.00	95.80%
09/30/2033	770,000.00	96.78%
09/30/2034	810,000.00	97.80%
09/30/2035	850,000.00	98.88%
09/30/2036	205,000.00	99.14%
09/30/2037	215,000.00	99.42%
09/30/2038	225,000.00	99.70%
09/30/2039	235,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2016		$10,607,213
Contract Debt Service Requirements for fiscal year-ending 09/30/2016		$114,801
I&S Fds all G.O. issues 09/30/2015	$1,099,000	
2015 I&S Fund Tax Levy @ 90%*	6,757,690	

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Drainage	206,060
Water & Sewer	1,489,581
Golf Course	244,990

PERTINENT PROVISIONS

ROCKWALL EMERGENCY SERVICES CORPORATION (See Texas Municipal Report #0315 for additional information, including all contracting parties)

Date of Original Contract:	August 15, 2006
Length of contract:	10 years
Bonds Outstanding:	$400,000 as of 9-30-15

Nature of Contract: Bond Proceeds will be used by the Participants to provide a firearm training facilities for their law enforcement personnel for use by such Sponsoring Local Governments.

Terms of Contract: Each Participant acknowledges and agrees that must pay the Operation and Maintenance Component of the Annual Requirement in order to have use of the Facility. The Participants hereby agree and direct that the Corporation shall establish and from time to time revise the charges for the use of the Facility by Participants hereunder so that the Annual Requirement shall at all times by not less than an amount sufficient to pay or provide for the payment of: Operation and Maintenance Expenses, the principal and interest on its Bonds, the proportionate part of any special or reserve funds required to be established and/or maintained, an amount in addition thereto sufficient to restore any deficiency in any of such funds required to be accumulated and maintained, and amount sufficient to pay all obligations with respect to any Credit Agreement, and the charges of paying agents and registrars for paying principal of, redemption premium, if any, and interest on, all Bonds. Each Participant's proportionate share of the Annual Requirement for each Fiscal Year shall be, subject to the subsequent provisions hereof, a percentage obtained by dividing such Participant's number of Authorized Personnel employed by or under contract with such Participant as of April 1 preceding such Fiscal Year by the total number of Authorized Personnel employed or under contract of all Participants as of such April 1. Each Participant agrees to provide to the Corporation in writing, no later than May 15 of each Fiscal Year, the number of its Authorized Personnel employed by or under contract with such Participant as of such April 1. Each Participant agrees to levy and collect an annual ad valorem tax sufficient to pay its Debt Service Component.

Allocation Percentages by Entity Contracting Party	Percentage of Annual Debt FY 2014	 FY 2013
City of Heath	6.410%	6.510%
City of Rockwall	27.400	28.740
City of Royse	5.340	5.750
City of Rowlett	28.110	29.500
Rockwall Co.	32.740	29.500

OPERATING STATEMENT

DRAINAGE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	Fiscal Year Ended			
	09-30-2014	09-30-2013	09-30-2012	09-30-2011
Revenues:				
Service Charges	$1,331,572	$1,328,989	$1,300,878	$1,301,172
Other	2,393	1,688	3,584	6,533
Total Revenues	$1,333,965	$1,330,677	$1,304,462	$1,307,705
Expenses	$750,833	$669,461	$918,500	$478,516
Available For Debt Service	$583,132	$661,216	$385,962	$829,189

GOLF SYSTEM STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	Fiscal Year Ended			
	09-30-2014	09-30-2013	09-30-2012	09-30-2011
Revenues	$601,666	$598,270	$594,467	$590,904
Expenses:				
Capital Outlay	$63,229	$150,821	$124,837	$76,618
Available For Debt Service	$538,437	$447,449	$469,630	$514,286

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
01/18/97	Street	$15,000,000	$11,040,000	$3,960,000*
01/18/97	Traffic Signal Imprs	320,000	320,000	0
01/18/97	Bridge	590,000	590,000	0
01/18/97	Alley Imps	2,000,000	2,000,000	0
01/18/97	Park	1,000,000	1,000,000	0
05/09/15	Streets & Roads	18,932,340	7,015,000	11,917,340
05/09/15	Parks & Rec	4,206,110	1,957,500	2,248,610
05/09/15	Police & Fire	2,631,050	985,000	1,646,050
Total:		$44,679,500	$24,907,500	$19,772,000

* The City does not intend to issue any additional bonds from the remaining unissued balance.

PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

Changes in Texas Municipal Retirement System (TMRS) Actuarial Method and Plan Assumptions

In early 2007, TMRS informed each of the member cities that the current actuarial assumptions did not take into account updated service credits or cost of living increases which are granted to retirees. These benefits, which some cities adopted, have been historically funded on a pay-as-you-go basis. This has led to regular increases in member cities' rates and a decrease in the overall funding of the retirement system. TMRS announced that it intended to study the impact of these benefit components and make potential changes in the way benefits are being funded.

After careful deliberation, the TMRS board approved several changes at its November and December meetings to the actuarial methods and plan assumptions. The board changed the actuarial method from unit credit to projected unit credit. Projected unit credit will allow the actuaries to consider the future financial impact of updated service credits and cost of living increases, and these benefits will begin to be pre-funded instead of funded on a pay-as-you-go basis. To mitigate the impact of this change, the board approved an eight year transition period. During this time, cities will be able to phase in the higher contribution rates instead of being required to fund these new rates immediately. Also, the board changed the amortization period from a 25-year open period to a 30-year closed period. Under a closed amortization period, contribution rates are higher, but a greater percentage of the unfunded balance is paid off each year. Finally, the board approved changes to the investment policy. TMRS has historically invested solely in fixed income investments. The board authorized the selection of an investment advisor to begin shifting a portion of investments into equity securities as a way to diversify the portfolio's holdings and earn higher returns than could be obtained with fixed income investments.

Required Contribution Rates (Percentage of gross covered salary)

	2016	2015
Employee:	7.00%	7.00%
City:	12.42%	13.06%

Actuarial Valuation as of	12/31/2014	12/31/2013
Assets	$89,408,352	$81,968,291
Accrued Liabilities	$100,250,911	$94,388,644
(Unfunded)/Overfunded Liab.	($10,842,559)	($12,420,353)
Funded Ratio	89.18%	86.84%
Annual Covered Payroll	$21,614,115	$18,851,637
(Unfunded)/Overfunded Liability		

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as a % of Covered Payroll	(50.16)%	(65.88)%

2014 Source: Texas Municipal Retirement System 12/31/2014 CAFR
2013 Source: City of Rowlett 09/30/2014 CAFR

POST EMPLOYMENT HEALTH BENEFITS: GASB STATEMENT 45

GASB released the Statement of Governmental Accounting Standards No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB), in June 2004. The City has implemented GASB 45 for the fiscal year beginning October 1, 2008. GASB 45 sets forth standards for measurement, recognition, and display of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations were as follows:

Fiscal Year	Annual OPEB Costs	Employer Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	$382,353	$175,160	45.81%	$ 947,011
2013	394,436	217,602	55.17%	1,123,845
2014	406,212	165,789	40.81%	1,364,268

As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $3,432,848, all of which was unfunded. The covered payroll was $19,564,830, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 17.55%.

Source: Comprehensive Annual Financial Report dated September 30, 2014

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2014)

The City reports additional debt in the principal amount of $17,143 under Drainage Util Fd and $9,576,365 under Govt Activities as follows:

	Amount Outstanding	Int Rate	Next Year's Requirements	Reported Under
Compensated Absences	$3,240	N/A	N/A	Drainage Util Fd
Pension Liability	$6,081	N/A	N/A	Drainage Util Fd
OPEB*	$7,822	N/A	N/A	Drainage Util Fd
Capital Leases	$4,063,254	0.00-4.17%	$917,879	Govt Activities
Compensated Absences	$2,870,809	N/A	N/A	Govt Activities
OPEB*	$1,218,588	N/A	N/A	Govt Activities
Pension Liability	$1,423,714	N/A	N/A	Govt Activities

* See PENSION FUND LIABILITY section for details of this obligation.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of	%Ovlpg	Ovlpg Amt
Dallas Co	$80,008,759	06/30/15	1.40	$1,120,123
Dallas Co CCD	335,613,266	08/31/14	1.40	4,698,586
Dallas Co Hosp Dist	715,358,493	12/31/14	1.40	10,015,019
Dallas County Schools	67,265,000	06/30/14	1.40	941,710
Garland ISD	493,459,572	12/31/14	19.37	95,583,119
Rockwall Co	86,297,183	01/31/15	5.80	5,005,237
Rockwall ISD	309,761,299	06/30/15	6.60	20,444,246
Total Overlapping Debt:				$137,808,039
Rowlett, City of		09/30/15		$62,775,619
Total Direct and Overlapping Debt:				$200,583,658
Total Direct and Overlapping Debt % of A.V.:				5.59%
Total Direct and Overlapping Debt per Capita:				$3,343

ECONOMIC BACKGROUND

The City of Rowlett is a retail center located in Dallas and Rockwall Counties just north of Interstate Highway 30. The City is located four miles east of Garland and 12 miles northeast of Dallas. The City is traversed by State Hwy 66 which connects Rowlett with the cities of Garland and Dallas to the west and Rockwall to the east. The 2010 census was 56,199, a 26.28% increase since 2000.

The City is bordered by Lake Ray Hubbard on three sides, and is influenced by its increasing recreation and residential development. Lake Ray Hubbard, with approximately 32 miles of shoreline within Rowlett's City Limits, has become a major recreational lake due to its location in the Dallas Metropolitan Area, contributing to the City's growth.

COUNTY CHARACTERISTICS: Dallas County was created in 1846 from Nacogdoches and Robertson Counties and named for the U.S. Vice-President, George Mifflin Dallas. The north central Texas county is the major component of the Dallas Primary Metropolitan Statistical Area.

Dallas County is a national center for insurance, banking, electronics, conventions, aircraft manufacturing, and trade shows.

As one of the nation's leading convention centers, as well as trade and market centers, Dallas County receives an estimated 1,000,000 visitors annually. The Dallas Market Center attracts over 500,000 retail store buyers alone. Also located in the County is the World Trade Center, an international market center with 1.4 million square feet. Tourism is an important industry. Dallas County attractions include the Texas State Fair, Hall of State, Dallas Museum of Art, Museum of Natural History, SMU, Dallas Zoo, West End Historic District, and The Cotton Bowl.

COUNTY SEAT: Dallas

2010 census: 2,368,139 increasing 6.7 % since 2000
2000 census: 2,218,899 increasing 19.8 % since 1990
1990 census: 1,852,810

ECONOMIC BASE
Mineral: sand, gravel and gas.

Industry: manufacturing, government, data processing and conventions.

Agricultural: wheat, soybeans, horticulture, horses, hay, crops and corn.

PARKS

Year	Description	Volume
2011	Cedar Hill State Park	225,137 Visitors
2012	Cedar Hill State Park	287,055 Visitors
2013	Cedar Hill State Park	279,263 Visitors
2014	Cedar Hill State Park	287,298 Visitors

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2014	2013	2012
Retail Sales	$32.8B	$30.6B	$30.1B
Effective Buying Income (EBI)	$52.1B	$52.0B	$48.4B
County Median Household Income	$41,097	$39,836	$40,388
State Median Household Income	$50,464	$48,646	$47,613
% of Households with EBI below $25K	13.7 %	14.8 %	14.4 %
% of Households with EBI above $25K	65.5 %	64.8 %	65.0 %

EMPLOYMENT DATA (Texas Workforce Commission)

	2015		2014		2013	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	1,566,807	$26.5B	1,507,426	$25.1B	1,463,474	$23.1B
2nd Q:	1,596,213	$24.0B	1,536,788	$22.4B	1,488,499	$21.4B
3rd Q:	N/A	N/A	1,554,418	$23.1B	1,503,304	$21.8B
4th Q:	N/A	N/A	1,583,208	$25.4B	1,524,719	$23.7B

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Dallas, University of North Texas College of Law, University of North Texas at Dallas, University of Dallas, The University of Texas Southwestern Medical at Dallas, Southern Methodist University, Richland College, Paul Quinn College, North Lake College, Mountain View College, El Centro College, Eastfield College, Dallas County Community College District, Dallas Baptist University, Cedar Valley College, Brookhaven College, Amberton University

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COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2014	10	120,485
2013	15	120,594
2012	13	115,562
2011	13	118,547
2010	13	111,524
2009	13	106,102
2008	13	83,468

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

TOP 10 EMPLOYERS

Major Employers(a)	# Employees
Garland ISD (City Schools only) Education	1,092
Lake Pointe Medical Center Hospital	750
Wal-Mart Supercenter Retail	420
City of Rowlett Municipality	362
DR Horton Builder	300
Target Corp. Retail	180
Senior Care at Lake Pointe Assisted Living	135
Rowlett Nursing Home Assisted Living	119
Wal-Mart Neighborhood Market Grocery	90
H&S Manufacturing Manufacturer	73

(a) Source: City of Rowlett Official Statement dated 12/1/2015.

TOP 10 TAXPAYERS

Principal Taxpayers	2015 AV	% of AV
1. Lake Pointe Medical Center Medical	$35,902,070	1.00%
2. Oncor Electric Delivery Electric Utility	27,054,640	0.75%
3. Wal-Mart Stores Inc. Retail	22,536,150	0.63%
4. Verizon Telephone Utility	14,370,500	0.40%
5. Gemini Rowlett Crossings Recreation Building	14,125,540	0.39%
6. NSHE TX Bay City LLC Medical Office Building	10,850,000	0.30%
7. Target Corp. Retail	9,575,000	0.27%
8. Safeway Inc. Food Distributor	7,763,560	0.22%
9. Atmos Energy Mid-Tex Natural Gas	7,525,020	0.21%
10. Lake Pointe NH Realty Ltd. Real Estate	7,200,000	0.20%
Total:	$156,902,480	4.37%

FINANCE CONNECTED OFFICIALS

Mayor
Todd Gottel
P.O. Box 99
Rowlett, TX 75030-0099
Phone: 972-509-7279
Fax: 972-412-6118
tgottel@rowlett.com

City Manager
Brian Funderburk
P.O. Box 99
Rowlett, TX 75030-0099
Phone: 972-412-6113
Fax: 972-412-6279
bfunderburk@rowlett.com

City Secretary
Laura Hallmark
P.O. Box 99
Rowlett, TX 75030-0099
Phone: 972-412-6115
Fax: 972-412-6118
lhallmark@rowlett.com

Director of Financial Services
Kim Galvin
P.O. Box 99
Rowlett, TX 75030-0099
Phone: 972-412-6288
Fax: 972-412-6239
kgalvin@rowlett.com

Tax Assessor/Collector
Dr. John R. Ames
Dallas County Tax Office
Records Bldg., 500 Elm St.
Dallas, TX 75202
Phone: 214-653-7630
Fax: 214-653-7887
jrames@dallascounty.org

Chief Appraiser
Ken Nolan
Dallas Central Appraisal District
2949 North Stemmons Freeway
Dallas, TX 75247-6195
Phone: 214-631-0520
Fax: 214-634-2518
nolank@dcad.org

Chief Appraiser
Patricia Davis
Rockwall County Appraisal District
841 Justin Rd
Rockwall, TX 75087
Phone: 972-771-2034
Fax: 972-771-6871
pdavis@rockwallcad.com

JV

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FINANCIAL STATEMENT

FOR OTHER BONDS FOR THIS ISSUER, SEE SEPARATE MUNICIPAL REPORTS

FINANCIAL STATEMENT (As of August 20, 2015)*

Special Obligation Debt
Senior Lien $25,330,000

Special Fund Balances
Reserve $1,676,299

* Includes $12,330,000 WW&SS Rev Ref Bonds Series 2015.

PAYMENT RECORD: Never defaulted.

MATERIAL INFORMATION:

RATING DOWNGRADE (July 16, 2015) Standard and Poor's Ratings Services has downgraded the City of Rowlett's Water and Sewer System debt to A+ from AA- as a result of "Increasing financial pressure on the water and sewer fund" The outlook is stable.

DETAILS OF OUTSTANDING DEBT

Details of Senior Lien Debt (Outstanding 8/20/2015)

WW & SS Rev Bds Ser 2005A

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount $7,180,000.00
Dated Date: 08/15/2005
Sale Date: 08/16/2005
Delivery Date: 09/15/2005
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2006

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Southwest Securities
Co-Manager: Coastal Securities

Insurance: Assured Guaranty Municipal Corp. (FSA)

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2016	355,000.00	4.0000%	4.110%
			$355,000.00

Call Option: Bonds maturing on 03/01/2016 callable in whole or in part on any date beginning 03/01/2015 @ par.

Refunded Notes: Maturities refunded by W & SS Rev Ref Bds Ser 2015

Refunded Amount	Mat Date	Coupon	Price	Sched Call
370,000.00	03/01/2017	4.100	Par	08/24/2015
385,000.00	03/01/2018	4.125	Par	08/24/2015
400,000.00	03/01/2019	4.200	Par	08/24/2015
415,000.00	03/01/2020	4.250	Par	08/24/2015
435,000.00	03/01/2021	4.300	Par	08/24/2015
455,000.00	03/01/2022	4.300	Par	08/24/2015
475,000.00	03/01/2023	4.375	Par	08/24/2015
495,000.00	03/01/2024	4.375	Par	08/24/2015
520,000.00	03/01/2025	4.375	Par	08/24/2015

WW & SS Rev Ref & Imp Bds Ser 2006

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount $11,775,000.00
Dated Date: 06/15/2006
Sale Date: 06/27/2006
Delivery Date: 07/27/2006
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2007

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Southwest Securities
Co-Manager: RBC Capital Markets

Insurance: Syncora Guarantee Inc.

Use of Proceeds: Water & Sewer, Settlement Agreement.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2016	460,000.00	4.5000%	4.420%
			$460,000.00

Call Option: Non Callable

Refunded Notes: Maturities refunded by W & SS Rev Ref Bds Ser 2015

Refunded Amount	Mat Date	Coupon	Price	Sched Call
480,000.00	03/01/2017	4.750	Par	03/01/2016
505,000.00	03/01/2018	4.750	Par	03/01/2016
530,000.00	03/01/2019	4.600	Par	03/01/2016
550,000.00	03/01/2020	4.650	Par	03/01/2016
580,000.00	03/01/2021	4.700	Par	03/01/2016
605,000.00	03/01/2022	4.750	Par	03/01/2016
635,000.00	03/01/2023	4.750	Par	03/01/2016
670,000.00	03/01/2024	4.750	Par	03/01/2016
700,000.00	03/01/2025	4.750	Par	03/01/2016
735,000.00	03/01/2026	4.750	Par	03/01/2016

WW & SS Rev Bds Ser 2012

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount $8,525,000.00
Dated Date: 08/15/2012
Sale Date: 08/21/2012
Delivery Date: 09/20/2012
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2013

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Comerica Securities
Underwriter's Counsel: West & Associates LLP

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2016	350,000.00	2.0000%	1.000%
03/01/2017	360,000.00	2.5000%	1.300%
03/01/2018	370,000.00	2.5000%	1.600%
03/01/2019	380,000.00	2.5000%	1.900%
03/01/2020	390,000.00	2.5000%	2.150%
03/01/2021	400,000.00	2.5000%	2.300%
03/01/2022	410,000.00	3.0000%	2.450%
03/01/2023	420,000.00	3.0000%	2.700%
03/01/2024	435,000.00	3.0000%	2.800%
03/01/2025	450,000.00	3.0000%	2.950%

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03/01/2026	460,000.00	3.0000%	100.00%
03/01/2027	475,000.00	3.1250%	3.150%
03/01/2028	490,000.00	3.2500%	100.00%
03/01/2029	505,000.00	3.2500%	3.300%
03/01/2030	525,000.00	3.2500%	3.350%
03/01/2031	540,000.00	3.5000%	3.400%
03/01/2032	560,000.00	3.5000%	100.00%

----------$7,520,000.00

Call Option: Bonds maturing on 03/01/2023 to 03/01/2032 callable in whole or in part on any date beginning 03/01/2022 @ par.

WW & SS Rev Bds Ser 2014

Lien: Senior
Tax Treatment: Bank Qualified
Original Issue Amount $4,825,000.00
Dated Date: 07/15/2014
Sale Date: 07/15/2014
Delivery Date: 08/14/2014
Sale Type: Competitive
TIC: 3.3457%
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2015

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Piper Jaffray & Co.

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2016	175,000.00	3.0000%	0.550%
03/01/2017	180,000.00	3.0000%	0.800%
03/01/2018	185,000.00	3.0000%	1.150%
03/01/2019	190,000.00	3.5000%	1.500%
03/01/2020	195,000.00	3.5000%	1.750%
03/01/2021	205,000.00	3.5000%	2.100%
03/01/2022	210,000.00	3.7500%	2.350%
03/01/2023	220,000.00	4.0000%	2.550%
03/01/2024	230,000.00	4.0000%	2.750%
03/01/2026T	490,000.00	4.0000%	3.000%
03/01/2028T	530,000.00	4.0000%	3.150%
03/01/2030T	570,000.00	4.0000%	3.300%
03/01/2032T	615,000.00	4.0000%	3.500%
03/01/2034T	670,000.00	4.0000%	3.650%

----------$4,665,000.00

Call Option: Term bonds maturing on 03/01/2026 and 03/01/2028 and 03/01/2030 and 03/01/2032 and 03/01/2034 callable in whole or in part on any date beginning 03/01/2024 @ par.

Term Call: Term bonds maturing on 03/01/2026:

Mandatory Redemption Date	Principal Amount
03/01/2025	$240,000
03/01/2026	$250,000

Term bonds maturing on 03/01/2028:

Mandatory Redemption Date	Principal Amount
03/01/2027	$260,000
03/01/2028	$270,000

Term bonds maturing on 03/01/2030:

Mandatory Redemption Date	Principal Amount
03/01/2029	$280,000
03/01/2030	$290,000

Term bonds maturing on 03/01/2032:

Mandatory Redemption Date	Principal Amount
03/01/2031	$300,000
03/01/2032	$315,000

Term bonds maturing on 03/01/2034:

Mandatory Redemption Date	Principal Amount
03/01/2033	$330,000
03/01/2034	$340,000

WW & SS Rev Ref Bds Ser 2015

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount $12,330,000.00
Dated Date: 07/15/2015
Sale Date: 07/21/2015
Delivery Date: 08/20/2015
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination $5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2016

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: BOSC, Inc.
Co-Manager: Coastal Securities, Inc.
Co-Manager: Robert W. Baird & Co., Inc.
Underwriter's Counsel: Bracewell & Giuliani LLP, Dallas, TX

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:

WW & SS Rev Ref Bds Ser 2005

Refunded Amount	Mat Date	Coupon	Price	Sched Call
755,000.00	03/01/2016	4.000	Par	08/24/2015
785,000.00	03/01/2017	5.000	Par	08/24/2015
535,000.00	03/01/2018	5.000	Par	08/24/2015
565,000.00	03/01/2019	5.000	Par	08/24/2015
330,000.00	03/01/2020	4.500	Par	08/24/2015

WW & SS Rev Bds Ser 2005A

Refunded Amount	Mat Date	Coupon	Price	Sched Call
370,000.00	03/01/2017	4.100	Par	08/24/2015
385,000.00	03/01/2018	4.125	Par	08/24/2015
400,000.00	03/01/2019	4.200	Par	08/24/2015
415,000.00	03/01/2020	4.250	Par	08/24/2015
435,000.00	03/01/2021	4.300	Par	08/24/2015
455,000.00	03/01/2022	4.300	Par	08/24/2015
475,000.00	03/01/2023	4.375	Par	08/24/2015
495,000.00	03/01/2024	4.375	Par	08/24/2015
520,000.00	03/01/2025	4.375	Par	08/24/2015

WW & SS Rev Ref & Imp Bds Ser 2006

Refunded Amount	Mat Date	Coupon	Price	Sched Call
480,000.00	03/01/2017	4.750	Par	03/01/2016
505,000.00	03/01/2018	4.750	Par	03/01/2016
530,000.00	03/01/2019	4.600	Par	03/01/2016
550,000.00	03/01/2020	4.650	Par	03/01/2016
580,000.00	03/01/2021	4.700	Par	03/01/2016
605,000.00	03/01/2022	4.750	Par	03/01/2016
635,000.00	03/01/2023	4.750	Par	03/01/2016
670,000.00	03/01/2024	4.750	Par	03/01/2016
700,000.00	03/01/2025	4.750	Par	03/01/2016
735,000.00	03/01/2026	4.750	Par	03/01/2016

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2016	775,000.00	1.5000%	0.420%
03/01/2017	1,645,000.00	3.0000%	0.820%
03/01/2018	1,420,000.00	4.0000%	1.160%
03/01/2019	1,480,000.00	4.0000%	1.390%
03/01/2020	1,260,000.00	2.5000%	1.670%
03/01/2021	955,000.00	2.7500%	2.000%
03/01/2022	980,000.00	3.0000%	2.340%
03/01/2023	1,015,000.00	3.1250%	2.560%
03/01/2024	1,060,000.00	5.0000%	2.710%
03/01/2025	1,115,000.00	5.0000%	2.830%

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03/01/2026	625,000.00	5.0000%	3.000%

----------$12,330,000.00

Call Option: Bonds maturing on 03/01/2025 to 03/01/2026 callable in whole or in part on any date beginning 03/01/2024 @ par.

Grand Total ==========> $25,330,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/15	2,170,000.00	777,461.25	2,947,461.25
09/30/16	2,115,000.00	854,905.33	2,969,905.33
09/30/17	2,185,000.00	780,325.00	2,965,325.00
09/30/18	1,975,000.00	712,650.00	2,687,650.00
09/30/19	2,050,000.00	639,175.00	2,689,175.00
09/30/20	1,845,000.00	577,462.50	2,422,462.50
09/30/21	1,560,000.00	531,706.25	2,091,706.25
09/30/22	1,600,000.00	485,200.00	2,085,200.00
09/30/23	1,655,000.00	433,853.13	2,088,853.13
09/30/24	1,725,000.00	369,668.75	2,094,668.75
09/30/25	1,805,000.00	292,618.75	2,097,618.75
09/30/26	1,335,000.00	225,668.75	1,560,668.75
09/30/27	735,000.00	185,521.88	920,521.88
09/30/28	760,000.00	159,537.50	919,537.50
09/30/29	785,000.00	132,368.75	917,368.75
09/30/30	815,000.00	104,231.25	919,231.25
09/30/31	840,000.00	74,450.00	914,450.00
09/30/32	875,000.00	42,900.00	917,900.00
09/30/33	330,000.00	20,200.00	350,200.00
09/30/34	340,000.00	6,800.00	346,800.00
	27,500,000.00	7,406,704.08	34,906,704.08

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2015	2,170,000.00	07.89%
09/30/2016	2,115,000.00	15.58%
09/30/2017	2,185,000.00	23.53%
09/30/2018	1,975,000.00	30.71%
09/30/2019	2,050,000.00	38.16%
09/30/2020	1,845,000.00	44.87%
09/30/2021	1,560,000.00	50.55%
09/30/2022	1,600,000.00	56.36%
09/30/2023	1,655,000.00	62.38%
09/30/2024	1,725,000.00	68.65%
09/30/2025	1,805,000.00	75.22%
09/30/2026	1,335,000.00	80.07%
09/30/2027	735,000.00	82.75%
09/30/2028	760,000.00	85.51%
09/30/2029	785,000.00	88.36%
09/30/2030	815,000.00	91.33%
09/30/2031	840,000.00	94.38%
09/30/2032	875,000.00	97.56%
09/30/2033	330,000.00	98.76%
09/30/2034	340,000.00	100.00%

PERTINENT PROVISIONS

PERTINENT PROVISIONS OF THE WATERWORKS & SEWER SYSTEM REVENUE BOND INDENTURE

1. Nature of Pledge: The bonds are special obligations of the city, payable from and secured by a first lien on and pledge of the net revenues derived from the operation of the waterworks and sewer system.

2. Special Funds Created by Indenture

I&S Fund: To receive net revenues by the last day of each month sufficient to meet debt service requirements when due.

Reserve Fund: To be accumulated and maintained in an amount equal to the average annual debt service, funded by monthly deposits equal to 1/60th of the total reserve requirement.

3. Coverage Required as a Condition to Issuance of Parity Bonds: For the completed fiscal year or for 12 consecutive months out of the 15 months immediately preceding the month preceding the adoption of additional bonds ordinance, net revenues shall have been not less than 1.25 times average annual debt service requirements, after giving effect of the additional bonds and 1.10 times the maximum annual debt service requirements after giving effect of the additional bonds.

4. Rate Covenant: Pursuant to Bond Ordinance, the City covenants to produce net revenues 1.20 times annual debt service requirements.

OPERATING STATEMENT

WATERWORKS & SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments, and expenditures identified as capital.

	Fiscal Year Ended			
	09-30-2014	09-30-2013	09-30-2012	09-30-2011
Revenues:				
Charges for Services	$24,659,862	$25,341,837	$22,507,769	$23,579,081
Other	320,129	37,903	144,690	108,677
Total Revenues	$24,979,991	$25,379,740	$22,652,459	$23,687,758
Expenses:				
Water & Sewer	$9,445,356	$8,816,580	$8,481,955	$7,508,879
Other	7,475,897	6,652,691	6,786,519	5,914,621
Total Expenses	$16,921,253	$15,469,271	$15,268,474	$13,423,500
Available For Debt Service	$8,058,738	$9,910,469	$7,383,985	$10,264,258
Revenue Annual Reqmts	$4,476,905	$4,493,664	$4,785,986	$5,131,546
Coverage On Revenue Bds	1.80X	2.21X	1.54X	2.00X
Customer Count:				
Water	19,201	20,178	19,383	19,311
Sewer	18,657	18,469	18,383	18,323

SYSTEM DESCRIPTION AND PERTINENT CONTRACTS

NORTH TEXAS MWD WATER SUPPLY SYSTEM The North Texas Municipal Water District (NTMWD) owns and operates an extensive treated water supply system serving its member cities of Farmersville, Forney, Garland, Mesquite, McKinney, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie, and the City of Dallas as a special customer, and customer Cities of Allen, Fairview, Fate, Frisco, Kaufman, Lucas, Murphy, Parker, Rowlett, Sachse, and Sunnyvale.

On June 3, 1965, as amended, the City entered into a 40 year contract with NTMWD. The agreement has been extended and has a current termination date of May 3, 2024. Rates of the District are determined annually, based on amounts sufficient to cover its maintenance and operating expenses, including debt service. The contract requires the City to take or pay for a minimum of 3,192,000 gallons annually at the base rate of $2.11 per 1,000 gallons.

SEWAGE DISPOSAL CONTRACT Sewage treatment is provided by the City of Garland, under a contract dated May 1994. The contract will terminate on April 1, 2020, if the City provides notice of termination to Garland during the year 2015. Rates are reviewed yearly and adjusted under the terms of the contract.

RATES, FEES AND OPERATING DATA

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WATER RATES (Monthly billing) Historical rate changes were effective October 1, 2011, 2012, 2013 and 2014.

Old Rates (Effective October 1, 2013)

Base charge by meter size range	$25.79 to $125.07
Volume Charge first 25,000 gal	3.90/M gallons
Volume Charge over 25,000 gal	4.40/M gallons

New Rates (Effective October 1, 2014)

Base charge by meter size range	$27.96 to $127.24
Volume Charge first 25,000 gal	4.07/M gallons
Volume Charge over 25,000 gal	4.57/M gallons

SEWER RATES (Monthly billing)(Based on water consumption) Historical rate changes were effective October 1, 2011, 2013 and 2014.

Old Rates (Effective October 1, 2013)
Residential

Minimum	$16.80(Min)
Volume Charge	4.39/M
Maximum Bill	$60.70

New Rates (Effective October 1, 2014)
Residential

Minimum	$17.05(Min)
Volume Charge	4.39/M
Maximum Bill	$60.95

AUTHORIZED BUT UNISSUED

REVENUE BONDS AUTHORIZED BUT UNISSUED

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
10/29/79	Water	$1,200,000	$725,000	$475,000*
10/29/79	Sewer Imprs	1,940,000	550,000	1,390,000*
Total:		$3,140,000	$1,275,000	$1,865,000

* Due to the age of the authorizations, the City does not anticipate issuing.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2014)

The City reports additional debt in the principal amount of $3,582,646 under W&S Fund as follows:

	Amount Outstanding	Int Rate	Next Year's Requirements	Reported Under
Compensated Absences	$106,936	N/A	N/A	W&S Fund
OPEB*	$137,858	N/A	N/A	W&S Fund
Pension Liability	$101,596	N/A	N/A	W&S Fund
Capital Leases	$3,236,256	0.00-4.17%	$752,371	W&S Fund

* See PENSION FUND LIABILITY section of TMR #2252 for details of this obligation.

ECONOMIC BACKGROUND

The City of Rowlett is a retail center located in Dallas and Rockwall Counties, just north of Interstate Highway 30. The City is located four miles east of Garland and 12 miles northeast of Dallas. The City is traversed by State Hwy 66 which connects Rowlett with the cities of Garland and Dallas to the west and Rockwall to the east. The 2010 census was 56,199, a 26.28% increase since 2000.

The City is bordered by Lake Ray Hubbard on three sides, and is influenced by its increasing recreation and residential development. Lake Ray Hubbard, with approximately 32 miles of shoreline within Rowlett's City Limits, has become a major recreational lake due to its location in the Dallas Metropolitan Area, contributing to the City's growth.

COUNTY CHARACTERISTICS: Dallas County was created in 1846 from Nacogdoches and Robertson Counties and named for the U.S. Vice-President, George Mifflin Dallas. The north central Texas county is the major component of the Dallas Primary Metropolitan Statistical Area.

Dallas County is a national center for insurance, banking, electronics, conventions, aircraft manufacturing, and trade shows.

As one of the nation's leading convention centers, as well as trade and market centers, Dallas County receives an estimated 1,000,000 visitors annually. The Dallas Market Center attracts over 500,000 retail store buyers alone. Also located in the County is the World Trade Center, an international market center with 1.4 million square feet. Tourism is an important industry. Dallas County attractions include the Texas State Fair, Hall of State, Dallas Museum of Art, Museum of Natural History, SMU, Dallas Zoo, West End Historic District, and The Cotton Bowl.

COUNTY SEAT: Dallas

2010 census: 2,368,139 increasing 6.7 % since 2000
2000 census: 2,218,899 increasing 19.8 % since 1990
1990 census: 1,852,810

ECONOMIC BASE
Mineral: sand, gravel and gas.

Industry: manufacturing, government, data processing and conventions.

Agricultural: wheat, soybeans, horticulture, horses, hay, crops and corn.

PARKS

Year	Description	Volume
2011	Cedar Hill State Park	225,137 Visitors
2012	Cedar Hill State Park	287,055 Visitors
2013	Cedar Hill State Park	279,263 Visitors
2014	Cedar Hill State Park	287,298 Visitors

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2014	2013	2012
Retail Sales	$32.8B	$30.6B	$30.1B
Effective Buying Income (EBI)	$52.1B	$52.0B	$48.4B
County Median Household Income	$41,097	$39,836	$40,388
State Median Household Income	$50,464	$48,646	$47,613
% of Households with EBI below $25K	13.7 %	14.8 %	14.4 %
% of Households with EBI above $25K	65.5 %	64.8 %	65.0 %

EMPLOYMENT DATA (Texas Workforce Commission)

	2015		2014		2013	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	1,567,009	$26.5B	1,507,426	$25.1B	1,463,474	$23.1B
2nd Q:	N/A	N/A	1,536,788	$22.4B	1,488,499	$21.4B
3rd Q:	N/A	N/A	1,554,418	$23.1B	1,503,304	$21.8B
4th Q:	N/A	N/A	1,583,208	$25.4B	1,524,719	$23.7B

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Dallas, University of North Texas College of Law, University of North Texas at Dallas, University of Dallas, The University of Texas Southwestern Medical at Dallas, Southern Methodist University, Richland College, Paul Quinn College, North Lake College, Mountain View College, El Centro College, Eastfield College, Dallas County Community College District, Dallas Baptist University, Cedar Valley College, Brookhaven College, Amberton University

COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2014	10	120,485
2013	15	120,594
2012	13	115,562
2011	13	118,547
2010	13	111,524
2009	13	106,102
2008	13	83,468

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

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TOP 10 EMPLOYERS

Major Employers(a)	# Employees
Garland ISD (City Schools only)	1,092
Education	
Lake Pointe Medical Center	686
Hospital	
City of Rowlett	375
Municipality	
Target Corp.	275
Retail	
Wal-Mart Supercenter	250
Retail	
Senior Care at Lake Pointe	190
Assisted Living	
DR Horton	165
Builder	
Albertson's Inc.	120
Grocery	
Rowlett Nursing Home	119
Assisted Living	
H&S Manufacturing	82
Manufacturer	

(a) Source: City of Rowlett Comprehensive Annual Financial Report dated September 30, 2014.

FINANCE CONNECTED OFFICIALS

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FirstSouthwest
A Division of Hilltop Securities.