

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of Garland, Texas

Issue(s):

\$ 10,115,000	Electric Utility System Revenue Bonds, Series 2008
\$ 11,760,000	Electric Utility System Revenue Bonds, Series 2009
\$ 7,185,000	Electric Utility System Revenue Bonds, Series 2011
\$ 20,830,000	Electric Utility System Revenue Refunding Bonds, Series 2011A
\$ 11,790,000	Electric Utility System Revenue Refunding Bonds, Series 2013
\$ 85,305,000	Electric Utility System Revenue Refunding Bonds, New Series 2014
\$ 15,355,000	Electric Utility System Revenue Refunding Bonds, New Series 2015
\$ 139,245,000	Electric Utility System Notes, Series 2016
\$ 12,055,000	Electric Utility System Revenue Refunding Bonds, New Series 2016A
\$ 36,875,000	Electric Utility System Revenue Refunding Bonds, New Series 2016B

Filing Format electronic paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe) _____

Fiscal Period Covered: FYE 2017

Monthly Quarterly Annual Other: _____

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Matt Watson

Name: Matt Watson Title: Finance Director

Employer: City of Garland, Texas

Voice Telephone Number: 972-205-2355

Email Address: mwatson@garlandtx.gov

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Electric Utility System Revenue Bonds, Series 2008

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 475,000	366133EU6
03/01/20	495,000	366133EV4
03/01/21	520,000	366133EW2
03/01/22	540,000	366133EX0
03/01/23	565,000	366133EY8
03/01/24	590,000	366133EZ5
03/01/25	620,000	366133FA9
03/01/26	650,000	366133FB7
03/01/27	680,000	366133FC5
03/01/28	710,000	366133FD3
	<u>\$ 5,845,000</u>	

Electric Utility System Revenue Bonds, Series 2009

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 325,000	366133 FP6
03/01/20	340,000	366133 FQ4
03/01/21	355,000	366133 FR2
03/01/22	370,000	366133 FS0
03/01/23	385,000	366133 FT8
03/01/24	405,000	366133 FU5
03/01/25	425,000	366133 FV3
03/01/26	450,000	366133 FW1
03/01/27	470,000	366133 FX9
03/01/28	500,000	366133 FY7
03/01/29	525,000	366133 FZ4
	<u>\$ 4,550,000</u>	

Electric Utility System Revenue Bonds, Series 2011

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 345,000	366133 GF7
03/01/20	360,000	366133 GG5
03/01/21	380,000	366133 GH3
03/01/22	400,000	366133 GJ9
03/01/23	420,000	366133 GK6
03/01/24	440,000	366133 GL4
03/01/25	465,000	366133 GM2
03/01/26	485,000	366133 GN0
03/01/27	510,000	366133 GP5
03/01/28	535,000	366133 GQ3
03/01/31	1,770,000	366133 GR1
	<u>\$ 6,110,000</u>	

Electric Utility System Revenue Refunding Bonds, Series 2011A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 1,825,000	366133 GY6
03/01/20	1,920,000	366133 GZ3
03/01/21	2,015,000	366133 HA7
03/01/22	2,115,000	366133 HB5
03/01/23	2,225,000	366133 HC3
03/01/24	1,190,000	366133 HD1
	<u>\$ 11,290,000</u>	

Electric Utility System Revenue Refunding Bonds, Series 2013

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 1,140,000	366133HH2
03/01/20	1,165,000	366133HJ8
03/01/21	1,190,000	366133HK5
03/01/22	1,215,000	366133HL3
03/01/23	1,235,000	366133HM1
03/01/24	1,265,000	366133HN9
03/01/25	1,290,000	366133HP4
	<u>\$ 8,500,000</u>	

Electric Utility System Revenue Refunding Bonds, New Series 2014

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 3,135,000	366133HT6
03/01/20	3,295,000	366133HU3
03/01/21	3,465,000	366133HV1
03/01/22	3,640,000	366133HW9
03/01/23	3,830,000	366133HX7
03/01/24	4,025,000	366133HY5
03/01/25	4,230,000	366133HZ2
03/01/26	4,450,000	366133JA5
03/01/27	4,675,000	366133JB3
03/01/28	4,915,000	366133JC1
03/01/29	5,165,000	366133JD9
03/01/30	5,430,000	366133JE7
03/01/31	5,710,000	366133JF4
03/01/32	6,005,000	366133JG2
03/01/33	6,310,000	366133JH0
03/01/34	6,635,000	366133JJ6
	<u>\$ 74,915,000</u>	

Electric Utility System Revenue Refunding Bonds, New Series 2015

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 1,575,000	366133JQ0
03/01/20	1,635,000	366133JR8
03/01/21	1,705,000	366133JS6
03/01/22	1,785,000	366133JT4
03/01/23	1,875,000	366133JU1
03/01/24	1,940,000	366133JV9
03/01/25	390,000	366133JW7
	<u>\$ 10,905,000</u>	

Electric Utility System Notes, Series 2016

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
05/31/19	\$ 139,245,000	366133JX5
	<u>\$ 139,245,000</u>	

Electric Utility System Revenue Refunding Bonds, New Series 2016A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 1,140,000	366133JZ0
03/01/20	1,200,000	366133KA3
03/01/21	1,265,000	366133KB1
03/01/22	1,320,000	366133KC9
03/01/23	1,390,000	366133KD7
03/01/24	1,465,000	366133KE5
03/01/25	1,540,000	366133KF2
03/01/26	1,615,000	366133KG0
	<u>\$ 10,935,000</u>	

Electric Utility System Revenue Refunding Bonds, New Series 2016B

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/19	\$ 1,160,000	366133KK1
03/01/20	1,220,000	366133KL9
03/01/21	1,285,000	366133KM7
03/01/22	1,350,000	366133KN5
03/01/23	1,415,000	366133KP0
03/01/24	1,490,000	366133KQ8
03/01/25	1,565,000	366133KR6
03/01/26	1,645,000	366133KS4
03/01/27	1,730,000	366133KT2
03/01/28	1,820,000	366133KU9
03/01/29	1,915,000	366133KV7
03/01/30	2,010,000	366133KW5
03/01/31	2,115,000	366133KX3
03/01/32	2,225,000	366133KY1
03/01/33	2,335,000	366133KZ8
03/01/34	2,455,000	366133LA2
03/01/35	2,570,000	366133LB0
03/01/37	5,460,000	366133LC8
	<u>\$ 35,765,000</u>	

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2017

CITY OF GARLAND, TEXAS

UTILITY REVENUE DEBT



HTS Continuing Disclosure Services

A Division of Hilltop Securities.

FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2017 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

CITY OF GARLAND, TEXAS

/s/ Matt Watson

Matt Watson

Finance Director

Approved for Submission:

03/27/2018

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of Garland, Texas with respect to the issues listed on the report cover was submitted directly to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Penny Brooker

**CITY OF GARLAND, TEXAS
2018 ELECTRIC UTILITY REVENUE DEBT REPORT**

TABLE 1 - ELECTRIC RATE SCHEDULES OF THE CITY (EFFECTIVE OCTOBER 1, 2013, EXCLUDES RECOVERY ADJUSTMENT FACTOR)

Residential Service Rate

Customer Charge	\$ 5.34	Per Month
November/May	0.0528	Per kWh 0-600 kWh, \$0.037 All Over 600 kWh
June/October	0.0561	Per kWh

General Service - Small (0-20 kW Demand)

Customer Charge	\$ 11.55	<u>0 / 2,000</u>	<u>All over 2,000</u>
All months		\$0.0602 per kWh	\$0.0549 per kWh

General Service - Large (20 kW and Greater Demand)

Energy:		Demand:		Demand:	
		<u>November/April</u>		<u>May/October</u>	
0-60,000 kWh	\$0.0276 Per kWh	First 200 kW	\$6.88 Per kW	0-200 kW	\$8.53 Per kW
All over 60,000	\$0.0235 Per kWh	All over 200 kW	\$6.33 Per kW	All over 200 kW	\$7.98 Per kW

**Public Institutional
Electric Service Rate**

Customer Charge	\$19.25
November/April	\$0.0413 Per kWh
May/October	\$0.0520 Per kWh

**High Tension Service Rate
(5,000 kW and Greater Demand)**

Energy	
0-6,000,000	\$0.0056 Per kWh
Over 6,000,000	\$0.0033 Per kWh
Demand Charge	\$8.25 Per kWh

TABLE 2 - ENERGY SALES AND CUSTOMER INFORMATION OF THE CITY (FISCAL YEAR ENDED 9-30)

Type of Customer	2017			2016		
	Energy Sales	Revenues	Number of Customers	Energy Sales	Revenues	Number of Customers
	(kWh)			(kWh)		
Residential	854,421,732	\$ 88,013,063	63,443	874,231,423	\$ 89,178,594	63,084
Commercial	792,251,777	72,647,933	6,480	786,353,677	72,158,434	6,441
Industrial	240,659,336	11,646,997	6	263,900,394	14,100,355	8
Total	<u>1,887,332,845</u>	<u>\$ 172,307,993</u>	<u>69,929</u>	<u>1,924,485,494</u>	<u>\$ 175,437,383</u>	<u>69,533</u>

Type of Customer	2015			2014		
	Energy Sales	Revenues	Number of Customers	Energy Sales	Revenues	Number of Customers
	(kWh)			(kWh)		
Residential	925,369,465	\$ 100,921,513	63,102	934,941,388	\$ 101,136,584	62,868
Commercial	794,787,473	78,303,778	6,382	786,709,303	77,902,262	6,387
Industrial	276,492,608	16,187,119	7	267,933,253	16,806,413	7
Total	<u>1,996,649,546</u>	<u>\$ 195,412,410</u>	<u>69,491</u>	<u>1,989,583,944</u>	<u>\$ 195,845,259</u>	<u>69,262</u>

Type of Customer	2013		
	Energy Sales	Revenues	Number of Customers
	(kWh)		
Residential	886,893,438	\$ 99,278,774	62,752
Commercial	771,613,215	76,751,089	6,366
Industrial	265,102,898	15,779,514	8
Total	<u>1,923,609,551</u>	<u>\$ 191,809,377</u>	<u>69,126</u>

TABLE 3 - ENERGY PRODUCTION OF THE CITY (FISCAL YEAR 9-30)

	2017	2016	2015	2014	2013
Owned Capacity (MW)	530	530	530	530	530
Firm Purchase Capacity (MW)	221	221	221	221	221
Wind / Solar PPAs (MW)	210	100	50	-	-
Peak Demand (MW)	441	466	460	447	474

TABLE 4 -ELECTRIC SYSTEM REVENUE DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Prior Lien Debt Service			Outstanding New Series Debt Service			Total Electric Utility Syst. Revenue Debt Service	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S		
2018	\$ 3,950,000	\$ 1,578,416	\$ 5,528,416	\$ 6,690,000	\$ 6,575,350	\$ 13,265,350	\$ 18,793,766	
2019	4,110,000	1,426,994	5,536,994	7,010,000	6,259,275	13,269,275	18,806,269	
2020	4,280,000	1,258,654	5,538,654	7,350,000	5,916,325	13,266,325	18,804,979	
2021	4,460,000	1,081,344	5,541,344	7,720,000	5,556,275	13,276,275	18,817,619	
2022	4,640,000	895,266	5,535,266	8,095,000	5,169,425	13,264,425	18,799,691	32.49%
2023	4,830,000	699,773	5,529,773	8,510,000	4,754,300	13,264,300	18,794,073	
2024	3,890,000	527,263	4,417,263	8,920,000	4,347,650	13,267,650	17,684,913	
2025	2,800,000	403,985	3,203,985	7,725,000	3,966,475	11,691,475	14,895,460	
2026	1,585,000	314,479	1,899,479	7,710,000	3,586,450	11,296,450	13,195,929	
2027	1,660,000	235,005	1,895,005	6,405,000	3,233,575	9,638,575	11,533,580	62.60%
2028	1,745,000	150,575	1,895,575	6,735,000	2,905,075	9,640,075	11,535,650	
2029	1,090,000	80,719	1,170,719	7,080,000	2,559,700	9,639,700	10,810,419	
2030	590,000	40,950	630,950	7,440,000	2,196,700	9,636,700	10,267,650	
2031	615,000	13,838	628,838	7,825,000	1,815,075	9,640,075	10,268,913	
2032	-	-	-	8,230,000	1,413,700	9,643,700	9,643,700	85.64%
2033	-	-	-	8,645,000	991,825	9,636,825	9,636,825	
2034	-	-	-	9,090,000	548,450	9,638,450	9,638,450	
2035	-	-	-	2,570,000	269,800	2,839,800	2,839,800	
2036	-	-	-	2,675,000	164,900	2,839,900	2,839,900	
2037	-	-	-	2,785,000	55,700	2,840,700	2,840,700	100.00%
	<u>\$40,245,000</u>	<u>\$ 8,707,261</u>	<u>\$48,952,261</u>	<u>\$ 139,210,000</u>	<u>\$ 62,286,025</u>	<u>\$ 201,496,025</u>	<u>\$ 250,448,286</u>	

TABLE 5 - AUTHORIZED BUT UNISSUED REVENUE BONDS

The City has no authorized by unissued system revenue bonds.

TABLE 6 - CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
<u>Operating Revenues</u>					
Charges for Services	\$ 279,846,202	\$ 278,334,789	\$ 338,473,487	\$ 376,657,906	\$ 296,866,570
Other	606,519	635,617	705,531	725,327	891,631
Total Operating Revenues	<u>\$ 280,452,721</u>	<u>\$ 278,970,406</u>	<u>\$ 339,179,018</u>	<u>\$ 377,383,233</u>	<u>\$ 297,758,201</u>
<u>Operating Expenses:</u>					
Salaries and Benefits ⁽¹⁾	\$ 23,444,359	\$ 23,868,980	\$ 22,716,785	\$ 21,469,028	\$ 21,106,404
Demand Charges	39,238,135	43,401,416	66,456,406	49,209,149	56,788,485
Energy and Fuel Purchases	123,502,208	119,278,782	167,388,110	214,756,435	136,202,089
Maintenance Repairs and Supplies	11,074,271	12,352,272	10,978,668	11,232,868	12,169,585
Insurance and Other Expenses	2,647,610	3,056,069	3,280,124	3,859,840	3,057,223
Insurance Claims Payable	253,336	268,008	302,682	305,748	426,586
General and Administrative	13,898,390	13,109,511	12,157,156	12,121,668	11,421,559
Total	<u>\$ 214,058,309</u>	<u>\$ 215,335,038</u>	<u>\$ 283,279,931</u>	<u>\$ 312,954,736</u>	<u>\$ 241,171,931</u>
<u>Non Operating Revenues</u>					
Intergovernmental	\$ 609,323	\$ 86,952	\$ -	\$ -	\$ -
Gain on Derivative Investment	48,946	-	-	-	-
Other	110,000	1,273,903	400,000	-	-
Investment Income	1,678,712	1,405,124	1,531,555	1,238,380	-
Total Non Operating Revenues	<u>\$ 2,446,981</u>	<u>\$ 2,765,979</u>	<u>\$ 1,931,555</u>	<u>\$ 1,238,380</u>	<u>\$ -</u>
Net Available for Debt Service ⁽²⁾	\$ 68,841,393	\$ 66,401,347	\$ 57,830,642	\$ 65,666,877	\$ 56,586,270
Debt Service Requirements	\$ 17,247,442 ⁽³⁾	\$ 15,969,726	\$ 15,130,446	\$ 9,929,481	\$ 10,140,808
Debt Service Coverage	3.99x	4.16x	3.82x	6.61x	5.58x
Electric Customers	69,929	69,533	69,491	69,262	69,126

(1) Excludes Actuarial Determined Pension Expense.

(2) Excludes transfers from Rate Mitigation Fund.

(3) Includes the \$176,781 transfer to the Debt Service Fund at the closing of Series 2016A debt issuance.

TABLE 7 - COVERAGE AND FUND BALANCES

All System REVENUE Debt Average Annual Principal and Interest Requirements, 2018-2037 ⁽¹⁾	\$ 12,522,414
Coverage of Average Annual Requirements by 2017 Net Income	5.30x
All System REVENUE Debt Maximum Annual Principal and Interest Requirements, 2021 ⁽¹⁾	\$ 18,817,619
Coverage of Maximum Requirements by 2017 Net Income	3.53x
Prior Lien Bonds Outstanding as of 3/15/2018	\$ 36,295,000
New Series Bonds Outstanding as of 3/15/2018	132,520,000
TOTAL Projected Electric Utility System Revenue Bonds	<u>\$ 168,815,000</u>
Debt Service Reserve Fund Balance, 3/15/2018 ⁽²⁾	\$ -

(1) Includes the Prior Lien Bonds and the subordinate lien New Series Bonds.

(2) The City is not required to have a reserve fund unless the coverage ratio dips below 1.5x. The City may fund such reserve fund with a surety bond.

TABLE 8 - VALUE OF THE SYSTEM

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Electric System	\$ 582,545,662	\$ 557,422,051	\$ 530,684,333	\$ 521,842,370	\$ 426,218,077
Land	13,974,571	15,514,169	10,696,211	10,030,714	5,078,858
Total Value	<u>\$ 596,520,233</u>	<u>\$ 572,936,220</u>	<u>\$ 541,380,544</u>	<u>\$ 531,873,084</u>	<u>\$ 431,296,935</u>
Less: Accumulated Depreciation	202,752,669	192,910,899	183,140,184	176,029,001	170,757,000
	<u>\$ 393,767,564</u>	<u>\$ 380,025,321</u>	<u>\$ 358,240,360</u>	<u>\$ 355,844,083</u>	<u>\$ 260,539,935</u>
Plus: Construction in Progress	116,701,729	32,650,155	18,035,063	12,290,960	83,968,380
Net Property, Plant and Equipment	<u>\$ 510,469,293</u>	<u>\$ 412,675,476</u>	<u>\$ 376,275,423</u>	<u>\$ 368,135,043</u>	<u>\$ 344,508,315</u>

TABLE 9 - CITY'S EQUITY IN SYSTEM

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Net Property, Plant and Equipment	\$ 510,469,293	\$ 412,675,476	\$ 376,275,423	\$ 368,135,043	\$ 344,508,315
Cash and Investments	229,689,291	243,959,273	237,791,963	253,693,775	247,586,669
Other Assets	142,442,936	172,436,913	224,967,215	169,251,626	187,874,600
Total Assets	<u>\$ 882,601,520</u>	<u>\$ 829,071,662</u>	<u>\$ 839,034,601</u>	<u>\$ 791,080,444</u>	<u>\$ 779,969,584</u>
Revenue Bonds Payable	\$ 193,711,249	\$ 164,511,826	\$ 175,362,237	\$ 185,654,342	\$ 93,973,082
General Obligation Bonds Payable	17,626,605	23,893,916	29,934,272	36,327,775	41,434,985
Certificates of Obligation Payable	163,297,391	177,430,483	191,585,219	135,738,125	136,680,781
Commercial Paper	123,280,000	69,910,000	25,000,000	-	-
Unamortized Bond Issue Cost	-	-	-	-	(2,944,700)
Other Liabilities	40,239,731	29,970,916	32,584,561	40,056,061	116,818,038
Total Liabilities	<u>\$ 538,154,976</u>	<u>\$ 465,717,141</u>	<u>\$ 454,466,289</u>	<u>\$ 397,776,303</u>	<u>\$ 385,962,186</u>
City's Equity in System	<u>\$ 344,446,544</u>	<u>\$ 363,354,521</u>	<u>\$ 384,568,312</u>	<u>\$ 393,304,141</u>	<u>\$ 394,007,398</u>
Percent Equity in System	39.02%	43.83%	45.83%	49.72%	50.52%

TABLE 10 - CURRENT INVESTMENTS

As of February 28, 2018 the following percentages of the City's investable funds were invested in the following categories of investments.

<u>Type of Investments</u>	<u>Book Value</u>	
	<u>Amount</u>	<u>Percent</u>
US Treasury Coupon Securities	\$ 9,874,499	2.15%
Federal Agency Coupon Securities	310,137,743	67.38%
Federal Agency Discount	17,237,051	3.74%
Certificates of Deposit	37,890,263	8.23%
Investment Pool	85,161,194	18.50%
	<u>\$ 460,300,750</u>	<u>100.00%</u>