

## 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):**

\$ 22,985,000	Combination Tax and Revenue Certificates of Obligation, Series 2009
\$ 126,885,000	Combination Tax and Electric Utility System Revenue Refunding Bonds, Series 2010
\$ 3,205,000	Combination Tax and Revenue Certificates of Obligation, Series 2010
\$ 4,260,000	Combination Tax and Revenue Certificates of Obligation, Series 2011
\$ 41,360,000	General Obligation Refunding Bonds, Series 2011B
\$ 17,995,000	General Obligation Refunding Bonds, Series 2011A
\$ 6,755,000	Combination Tax and Revenue Certificates of Obligation, Series 2012
\$ 12,725,000	Combination Tax and Revenue Certificates of Obligation, Series 2013
\$ 12,280,000	General Obligation Refunding Bonds, Series 2013
\$ 18,450,000	General Obligation Refunding Bonds, Series 2014
\$ 13,475,000	Combination Tax and Revenue Certificates of Obligation, Series 2014
\$ 34,215,000	General Obligation Refunding Bonds, Series 2014A
\$ 22,490,000	General Obligation Refunding Bonds, Taxable Series 2015B
\$ 22,695,000	General Obligation Refunding Bonds, Series 2015A
\$ 18,205,000	Combination Tax and Revenue Certificates of Obligation, Series 2015
\$ 53,870,000	Combination Tax and Electric Utility System Surplus Revenue Refunding Bonds, Series 2015
\$ 20,210,000	Combination Tax and Revenue Certificates of Obligation, Series 2016
\$ 42,040,000	General Obligation Refunding Bonds, Series 2016
\$ 41,140,000	General Obligation Refunding Bonds, Series 2017
\$ 18,140,000	Combination Tax and Revenue Certificates of Obligation, Series 2017

**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

X Annual Financial Report or CAFR  
X Financial Information & Operating Data  
\_\_\_ Other (describe)\_\_\_\_\_

X Fiscal Period Covered: FYE 2017

\_\_\_ Monthly \_\_\_ Quarterly X 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

### Combination Tax and Revenue Certificates of Obligation, Series 2009

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 1,080,000	366119 WE1
02/15/20	1,105,000	366119 WF8
02/15/21	1,150,000	366119 WG6
02/15/22	1,195,000	366119 WH4
02/15/23	1,250,000	366119 WJ0
02/15/24	1,315,000	366119 WK7
02/15/25	1,385,000	366119 WL5
02/15/26	1,455,000	366119 WM3
02/15/27	1,530,000	366119 WN1
02/15/28	1,610,000	366119 WP6
02/15/29	1,690,000	366119 WQ4
	<u>\$ 14,765,000</u>	

### Combination Tax and Electric Utility System Revenue Refunding Bonds, Series 2010

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 2,760,000	366119 WY7
02/15/20	3,685,000	366119 WZ4
02/15/21	7,940,000	366119 XA8
02/15/22	9,570,000	366119 XB6
02/15/23	10,060,000	366119 XC4
02/15/24	10,570,000	366119 XD2
02/15/25	11,115,000	366119 XE0
02/15/26	2,000,000	366119 XL4
02/15/26	9,680,000	366119 XF7
02/15/27	12,275,000	366119 XG5
02/15/28	12,905,000	366119 XH3
02/15/29	13,570,000	366119 XJ9
02/15/30	14,265,000	366119 XK6
	<u>\$ 120,395,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2010**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 100,000	366119XV2
02/15/20	105,000	366119XW0
02/15/22	225,000	366119XY6
02/15/24	245,000	366119YA7
02/15/26	265,000	366119YC3
02/15/28	290,000	366119YE9
02/15/30	320,000	366119YG4
	<u>\$ 1,550,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2011**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 240,000	366119 YV1
02/15/20	245,000	366119 YW9
02/15/21	255,000	366119 YX7
02/15/22	105,000	366119 YY5
02/15/23	105,000	366119 YZ2
02/15/24	110,000	366119 ZA6
02/15/25	120,000	366119 ZB4
02/15/26	120,000	366119 ZC2
02/15/28	175,000	366119 ZD0
02/15/30	185,000	366119 ZE8
02/15/31	100,000	366119 ZF5
	<u>\$ 1,760,000</u>	

**General Obligation Refunding Bonds, Series 2011A**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 1,210,000	366119 A54
02/15/20	1,245,000	366119 A62
02/15/21	1,295,000	366119 A70
02/15/22	1,340,000	366119 A88
02/15/23	1,380,000	366119 A96
02/15/24	445,000	366119 B20
	<u>\$ 6,915,000</u>	

**General Obligation Refunding Bonds, Series 2011B**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 2,860,000	366119 ZM0
02/15/20	2,990,000	366119 ZN8
02/15/21	3,110,000	366119 ZP3
02/15/22	3,240,000	366119 ZQ1
02/15/23	3,385,000	366119 ZR9
02/15/24	3,560,000	366119 ZS7
02/15/25	3,745,000	366119 ZT5
02/15/26	3,935,000	366119 ZU2
02/15/27	4,135,000	366119 ZV0
02/15/28	4,350,000	366119 ZW8
	<u>\$ 35,310,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2012**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 295,000	366119C29
02/15/20	305,000	366119C37
02/15/21	315,000	366119C45
02/15/22	325,000	366119C52
02/15/23	150,000	366119C60
02/15/24	155,000	366119C78
02/15/25	155,000	366119C86
02/15/26	165,000	366119C94
02/15/27	170,000	366119D28
02/15/28	105,000	366119D36
02/15/29	110,000	366119D44
02/15/30	115,000	366119D51
02/15/31	115,000	366119D69
02/15/32	120,000	366119D77
	<u>\$ 2,600,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2013**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 845,000	366119F34
02/15/20	890,000	366119F42
02/15/21	940,000	366119F59
02/15/22	995,000	366119F67
02/15/23	1,055,000	366119F75
02/15/24	570,000	366119F83
02/15/25	610,000	366119F91
02/15/28	575,000	366119G41
02/15/33	460,000	366119G90
	<u>\$ 6,940,000</u>	

**General Obligation Refunding Bonds, Series 2013**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 570,000	366119E50
	<u>\$ 570,000</u>	

**General Obligation Refunding Bonds, Series 2014**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 2,105,000	366119H65
02/15/20	2,170,000	366119H73
02/15/21	2,225,000	366119H81
02/15/22	2,115,000	366119H99
	<u>\$ 8,615,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2014**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 1,765,000	366119J63
02/15/20	625,000	366119J71
02/15/21	650,000	366119J89
02/15/22	675,000	366119J97
02/15/23	705,000	366119K20
02/15/24	735,000	366119K38
02/15/26	385,000	366119K53
02/15/27	205,000	366119K61
02/15/29	415,000	366119K87
02/15/31	275,000	366119L29
02/15/34	450,000	366119L52
	<u>\$ 6,885,000</u>	

**General Obligation Refunding Bonds, Series 2014A**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 7,510,000	366119M28
02/15/20	5,195,000	366119M36
	<u>\$ 12,705,000</u>	

**General Obligation Refunding Bonds, Series 2015A**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 845,000	366119M77
02/15/20	880,000	366119M85
02/15/21	925,000	366119M93
02/15/22	970,000	366119N27
02/15/23	1,015,000	366119N35
02/15/24	1,065,000	366119N43
02/15/25	1,120,000	366119N50
02/15/26	1,165,000	366119N68
02/15/27	1,200,000	366119N76
02/15/28	1,250,000	366119N84
02/15/29	1,315,000	366119N92
02/15/30	1,380,000	366119P25
02/15/32	2,920,000	366119P41
02/15/33	1,530,000	366119P58
02/15/34	1,575,000	366119P66
02/15/35	1,620,000	366119P74
	<u>\$ 20,775,000</u>	

**General Obligation Refunding Bonds, Taxable Series 2015B**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 450,000	366119Q32
02/15/20	3,265,000	366119Q40
02/15/21	3,330,000	366119Q57
02/15/22	3,400,000	366119Q65
02/15/23	3,475,000	366119Q73
02/15/24	3,565,000	366119Q81
02/15/25	3,655,000	366119Q99
	<u>\$ 21,140,000</u>	



**Combination Tax and Revenue Certificates of Obligation, Series 2015**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 1,740,000	366119R56
02/15/20	1,840,000	366119R64
02/15/21	1,315,000	366119R72
02/15/22	1,390,000	366119R80
02/15/23	1,425,000	366119R98
02/15/24	1,475,000	366119S22
02/15/25	1,560,000	366119S30
02/15/26	405,000	366119S48
02/15/28	840,000	366119S63
02/15/29	440,000	366119S71
02/15/30	455,000	366119S89
02/15/31	125,000	366119S97
02/15/32	130,000	366119T21
02/15/33	135,000	366119T39
02/15/34	140,000	366119T47
02/15/35	145,000	366119T54
	<u>\$ 13,560,000</u>	

**Combination Tax and Electric Utility System Surplus Revenue Refunding Bonds, Series 2015**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 11,280,000	366119T96
02/15/20	11,860,000	366119U29
	<u>\$ 23,140,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2016**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 2,070,000	366119U52
02/15/20	2,050,000	366119U60
02/15/21	2,150,000	366119U78
02/15/22	1,110,000	366119U86
02/15/23	1,160,000	366119U94
02/15/24	1,225,000	366119V28
02/15/25	1,290,000	366119V36
02/15/26	1,365,000	366119V44
02/15/27	525,000	366119V51
02/15/28	530,000	366119V69
02/15/29	545,000	366119V77
02/15/30	555,000	366119V85
02/15/31	570,000	366119V93
02/15/32	270,000	366119W27
02/15/33	275,000	366119W35
02/15/34	285,000	366119W43
02/15/36	590,000	366119W68
	<u>\$ 16,565,000</u>	

**General Obligation Refunding Bonds, Series 2016**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 7,620,000	366119W92
02/15/20	7,025,000	366119X26
02/15/21	7,180,000	366119X34
02/15/22	3,540,000	366119X42
02/15/23	1,870,000	366119X59
02/15/24	1,975,000	366119X67
02/15/25	2,065,000	366119X75
02/15/26	930,000	366119X83
02/15/27	985,000	366119X91
	<u>\$ 33,190,000</u>	

**Combination Tax and Revenue Certificates of Obligation, Series 2017**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 1,760,000	3661192D6
02/15/20	1,840,000	3661192E4
02/15/21	1,935,000	3661192F1
02/15/22	2,040,000	3661192G9
02/15/23	1,000,000	3661192H7
02/15/24	1,045,000	3661192J3
02/15/25	1,105,000	3661192K0
02/15/26	1,165,000	3661192L8
02/15/27	1,225,000	3661192M6
02/15/28	425,000	3661192N4
02/15/29	445,000	3661192P9
02/15/30	465,000	3661192Q7
02/15/31	485,000	3661192R5
02/15/32	500,000	3661192S3
02/15/33	215,000	3661192T1
02/15/34	225,000	3661192U8
02/15/35	235,000	3661192V6
02/15/36	245,000	3661192W4
02/15/37	250,000	3661192X2
	<u>\$ 16,605,000</u>	

**General Obligation Refunding Bonds, Series 2017**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 4,030,000	366119Y33
02/15/20	4,245,000	366119Y41
02/15/21	4,465,000	366119Y58
02/15/22	4,690,000	366119Y66
02/15/23	4,930,000	366119Y74
02/15/24	5,175,000	366119Y82
02/15/25	5,440,000	366119Y90
02/15/26	1,060,000	366119Z24
02/15/27	1,110,000	366119Z32
02/15/28	1,165,000	366119Z40
02/15/29	580,000	366119Z57
02/15/30	600,000	366119Z65
02/15/31	620,000	366119Z73
02/15/32	635,000	366119Z81
02/15/33	660,000	366119Z99
02/15/34	680,000	3661192A2
02/15/35	705,000	3661192B0
	<u>\$ 40,790,000</u>	

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

CITY OF GARLAND, TEXAS

GENERAL OBLIGATION 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

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Matt Watson

Finance Director

Approved for Submission:

03/27/2018

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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 GENERAL OBLIGATION DEBT REPORT**

**TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

2017/2018 Market Valuation Established by the Collin, Dallas and Rockwall Central Appraisal Districts		\$ 15,940,256,780
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead	520,554,395	
Over 65	687,460,924	
Disabled Persons	74,229,391	
Disabled Veterans	30,177,101	
Pollution Control	358,028	
Freeport	325,975,201	
Capped Loss	574,439,726	
Prorated Total Exempt	905,098	
Productivity Loss	88,379,560	
Misc.	-	<u>2,302,479,424</u>
2017/2018 Taxable Assessed Valuation		\$ 13,637,777,356
General Obligation Debt Payable from Ad Valorem Taxes (as of March 1, 2018)		\$ 404,775,000
Less: Self Supporting Debt Balance (as of March 1, 2018) <sup>(1)</sup>		
Wastewater	\$ 5,495,000	
Water	1,660,000	
Communications	270,000	
Electric	154,470,000	
Customer Service	17,455,000	
Environmental Waste Services	7,675,000	
Fleet Services	1,435,000	
Information Technology Services	3,070,000	
Warehouse	15,000	
Stormwater	945,000	
Downtown TIF	2,245,000	<u>\$ 194,735,000</u>
Net General Obligation Debt Payable from Ad Valorem Taxes		\$ 210,040,000
General Obligation Interest and Sinking Fund (as of 3/1/2018)		\$ 6,328,880
Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation		1.54%

2018 Estimated Population - 236,786  
Per Capita Taxable Assessed Valuation - \$57,595  
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$887

(1) It is the City's current policy to pay such self-supporting debt from revenues other than ad valorem taxes. However, this policy is subject to change in the future. In the event the City changes its policy or such revenues are not sufficient to make payments on such debt, the City will be required to levy an ad valorem tax sufficient to pay such debt service. See also "Table 11 - Computation of Self-Supporting Debt".



**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 9,737,951,337	61.09%	\$ 8,738,914,956	56.41%	\$ 7,637,053,540	55.43%
Real, Residential, Multi-Family	1,045,545,930	6.56%	968,606,840	6.25%	895,852,080	6.50%
Real, Vacant Lots/Tracts	206,372,073	1.29%	381,538,995	2.46%	336,359,539	2.44%
Real, Acreage (Land Only)	88,602,950	0.56%	82,019,445	0.53%	65,285,680	0.47%
Real, Farm and Ranch Improvements	1,114,290	0.01%	1,248,930	0.01%	1,293,445	0.01%
Real, Commercial	2,455,242,620	15.40%	3,049,236,910	19.68%	2,858,864,420	20.75%
Real, Industrial	203,893,720	1.28%	198,411,280	1.28%	196,916,170	1.43%
Real and Tangible Personal, Utilities	128,807,437	0.81%	135,357,504	0.87%	128,803,331	0.93%
Tangible Personal, Commercial	1,293,581,133	8.12%	1,219,884,722	7.87%	983,384,663	7.14%
Tangible Personal, Industrial	732,183,930	4.59%	670,329,260	4.33%	629,974,320	4.57%
Tangible Personal, Other	135,650	0.00%	118,720	0.00%	124,510	0.00%
Real Property, Inventory	45,094,800	0.28%	326,300	0.00%	2,908,500	0.02%
Special Inventory	1,730,910	0.01%	44,558,440	0.29%	40,382,790	0.29%
Totally Exempt Property	-	0.00%	638,348	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 15,940,256,780 <sup>(1)</sup>	100.00%	\$ 15,491,190,650	100.00%	\$ 13,777,202,988 <sup>(1)</sup>	100.00%
Less: Total Exemptions/Reductions	2,302,479,424		3,097,303,939		2,576,176,308	
Taxable Assessed Value	<u>\$ 13,637,777,356 <sup>(2)</sup></u>		<u>\$ 12,393,886,711 <sup>(3)</sup></u>		<u>\$ 11,201,026,680 <sup>(4)</sup></u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2015		2014	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 7,021,659,004	54.40%	\$ 6,801,414,247	57.66%
Real, Residential, Multi-Family	831,695,350	6.44%	748,208,080	6.34%
Real, Vacant Lots/Tracts	340,387,159	2.64%	191,070,972	1.62%
Real, Acreage (Land Only)	58,878,325	0.46%	62,163,305	0.53%
Real, Farm and Ranch Improvements	3,720,190	0.03%	3,288,820	0.03%
Real, Commercial	2,702,363,412	20.93%	1,930,990,965	16.37%
Real, Industrial	172,885,600	1.34%	173,082,210	1.47%
Real and Tangible Personal, Utilities	128,555,060	1.00%	118,870,250	1.01%
Tangible Personal, Commercial	942,269,570	7.30%	936,248,510	7.94%
Tangible Personal, Industrial	665,788,890	5.16%	795,046,790	6.74%
Tangible Personal, Other	135,030	0.00%	83,660	0.00%
Real Property, Inventory	52,500	0.00%	216,660	0.00%
Special Inventory	40,049,000	0.31%	34,684,410	0.29%
Total Appraised Value Before Exemptions	-	0.00%	-	0.00%
Less: Total Exemptions/Reductions	\$ 12,908,439,090 <sup>(1)</sup>	100.00%	\$ 11,795,368,879	100.00%
Taxable Assessed Value	<u>2,459,008,522</u>		<u>1,626,320,665</u>	
	<u>\$ 10,449,430,568 <sup>(5)</sup></u>		<u>\$ 10,169,048,214 <sup>(6)</sup></u>	

NOTE: All valuations shown are certified taxable assessed values reported by the Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal Districts update records.

(1) Includes Totally Exempt property as reported by Dallas Central Appraisal District, Collin Central Appraisal District and Rockwall Central Appraisal District.

(2) Includes taxable incremental value of approximately \$133,891,184 that is not available for the City's general use.

(3) Includes taxable incremental value of approximately \$100,977,108 that is not available for the City's general use.

(4) Includes taxable incremental value of approximately \$87,323,362 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$79,613,585 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$69,188,538 that is not available for the City's general use.

**TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

Fiscal Year Ended 9/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year <sup>(3)</sup>	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2014	231,618	\$ 10,169,048,214 <sup>(4)</sup>	\$ 43,904	\$ 232,351,259	2.28%	\$ 1,003
2015	233,206	10,449,430,568 <sup>(5)</sup>	44,808	249,330,000	2.39%	1,069
2016	235,885	11,201,026,680 <sup>(6)</sup>	47,485	245,970,000	2.20%	1,043
2017	235,885	12,393,886,711 <sup>(7)</sup>	52,542	234,640,000	1.89%	995
2018	236,786	13,637,777,356 <sup>(8)</sup>	57,595	210,040,000 <sup>(9)</sup>	1.54% <sup>(9)</sup>	887 <sup>(9)</sup>

(1) Source: Estimates of North Central Texas Council of Governments and the City Planning Department.

(2) As reported by the Appraisal District on the City's annual State Property Tax Reports; subject to change during the ensuing year.

(3) Does not include self-supporting debt. See "Table 1 – Valuation, Exemptions and General Obligation Debt" and "Table 11 - Computation of Self-Supporting Debt".

(4) Includes taxable incremental value of approximately \$69,188,538 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$79,613,585 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$87,323,362 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$100,977,108 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$133,891,184 that is not available for the City's general use.

(9) Projected, subject to change.

**TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY**

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2014	\$ 0.7046	\$ 0.3940	\$ 0.3106	\$ 71,107,556	99.25%	99.34%
2015	0.7046	0.3940	0.3106	73,803,340	99.26%	99.34%
2016	0.7046	0.3940	0.3106	78,610,052	99.26%	99.62%
2017	0.7046	0.3940	0.3106	87,085,959	99.21%	99.56%
2018	0.7046	0.3940	0.3106	96,091,779	96.26% <sup>(1)</sup>	99.62% <sup>(1)</sup>

(1) Partial collections through February 28, 2018.

**TABLE 5 - TEN LARGEST TAXPAYERS**

Name of Taxpayer	Nature of Property	2017/2018 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Sprint Spectrum LLP	Telecommunications	\$ 175,429,270	1.29%
Simon Property Group	Real estate investor	105,987,220	0.78%
Kraft Heinz Food Company	Food manufacturer	86,136,456	0.63%
WRPV XII Firewheel Garland LLC	Real estate investor	65,406,760	0.48%
Ragingwire Data Centers Inc.	Data center	60,958,770	0.45%
BMEF Stoneleigh LP	Real estate investor	52,980,000	0.39%
Atlas Copco Drilling Solutions Inc.	Manufacturer	17,245,591	0.13%
Plastipak Packaging Inc.	Manufacturer	44,445,296	0.33%
Landmark at Lakeways North LLC	Real estate investor	46,000,000	0.34%
Engineered Polymer Solutions Inc.	Manufacturer	28,027,169	0.21%
		\$ 682,616,532	5.01%

**TABLE 6 – ESTIMATED OVERLAPPING DEBT**

Updated information with respect to the City as contained in the “Estimated Overlapping Debt” table of the final official statements of debt issued is contained in other tables of this annual report. Information relating to other taxing entities within the territory of the City that was contained in the “Estimated Overlapping Debt” table of the final official statements has not been updated (as it is not financial information or operating data of the issuer); however, information relating to other taxing entities is contained in individual “Texas Municipal Reports” as published by the Municipal Advisory Council of Texas.

**TABLE 7 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS <sup>(1)</sup>**

Fiscal Year Ending 9/30	Outstanding Debt Service			Less: Self- Supporting Debt Service <sup>(1)</sup>	NET General Obligation Debt Service	% of Principal Retired
	Principal	Interest	Total D/S			
2018	\$ 51,080,000	\$ 19,590,690	\$ 70,670,690	\$ 36,670,470	\$ 34,000,220	
2019	51,135,000	17,143,404	68,278,404	35,370,913	32,907,491	
2020	51,565,000	14,779,904	66,344,904	34,037,113	32,307,791	
2021	39,290,000	12,741,554	52,031,554	21,418,488	30,613,066	
2022	36,815,000	11,085,079	47,900,079	19,354,638	28,545,441	50.43%
2023	33,085,000	9,562,593	42,647,593	17,979,063	24,668,530	
2024	33,110,000	8,065,042	41,175,042	17,886,806	23,288,236	
2025	33,685,000	6,512,014	40,197,014	17,863,813	22,333,201	
2026	23,960,000	5,154,169	29,114,169	17,219,575	11,894,594	
2027	24,190,000	4,008,250	28,198,250	17,115,100	11,083,150	82.90%
2028	23,410,000	2,880,459	26,290,459	16,986,775	9,303,684	
2029	19,235,000	1,870,519	21,105,519	16,455,813	4,649,706	
2030	18,320,000	979,403	19,299,403	14,723,794	4,575,609	
2031	3,690,000	486,566	4,176,566	99,956	4,076,609	
2032	3,375,000	374,009	3,749,009	102,469	3,646,541	97.83%
2033	3,060,000	270,991	3,330,991	99,756	3,231,234	
2034	3,060,000	173,406	3,233,406	97,050	3,136,356	
2035	3,000,000	76,509	3,076,509	99,275	2,977,234	
2036	540,000	19,325	559,325	96,425	462,900	
2037	250,000	5,000	255,000	-	255,000	100.00%
	<u>\$ 455,855,000</u>	<u>\$ 115,778,885</u>	<u>\$ 571,633,885</u>	<u>\$ 283,677,289</u>	<u>\$ 287,956,596</u>	

(1) It is the City's current policy to pay such self-supporting debt from revenues other than ad valorem taxes. However, this policy is subject to change in the future. In the event the City changes its policy or such revenues are not sufficient to make payments on such debt, the City will be required to levy an ad valorem tax sufficient to pay such debt service. See Also "Table 1 – Valuation, Exemption and General Obligation Debt" and "Table 11 – Computation of Self-Supporting Debt".

**TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION <sup>(1)</sup>**

Debt Service Requirements, Fiscal Year Ending 9/30/2018		\$ 70,670,690
Interest and Sinking Fund Balance on 9/30/2017	\$6,289,049	
Budgeted Interest and Sinking Fund Tax Collection	41,378,613	
Budgeted Transfers <sup>(1)</sup>	37,667,173	
Estimated Investment Income	<u>115,000</u>	<u>\$ 85,449,835</u>
Estimated Balance, Fiscal Year Ending 9/30/2018		\$ 14,779,145

(1) Includes self-supporting debt. See "Table 11 – Computation of Self-Supporting Debt." Projected, subject to change.

**TABLE 9 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS**

<u>Authorized Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Heretofore Issued</u>	<u>Unissued Balance</u>
Street Improvements	5/4/1991	\$ 42,496,500	\$ 42,414,612	\$ 81,888
Parks Improvements	5/4/1991	5,144,000	5,084,035	59,965
Public Safety Improvements	5/4/1991	7,226,086	7,153,071	73,015
Various Street Improvements	5/31/1997	67,970,000	64,821,397	3,148,603
Northeast Parkway Street Improvements	5/31/1997	4,240,000	4,240,000	-
Drainage Improvements	5/31/1997	10,570,000	10,502,789	67,212
Library Improvements	5/31/1997	5,890,000	5,877,682	12,318
Park Improvements	5/31/1997	12,370,000	11,039,343	1,330,657
Public Safety Improvements	5/31/1997	19,890,000	19,770,561	119,439
Municipal Facility Improvements	5/31/1997	1,710,000	1,521,000	189,000
Street Improvements	5/15/2004	113,370,000	48,306,728	65,063,272
Drainage Improvements	5/15/2004	28,000,000	15,610,084	12,389,916
Park and Recreation Facilities and Improvements	5/15/2004	21,680,000	6,383,550	15,296,450
Library Facilities	5/15/2004	9,400,000	9,386,179	13,821
Public Safety Facilities	5/15/2004	12,950,000	11,859,591	1,090,409
Municipal Improvements	5/15/2004	11,180,000	3,174,378	8,005,622
Economic Development/Land Acquisition	5/15/2004	3,420,000	-	3,420,000
		<b>\$ 377,506,586</b>	<b>\$ 267,145,000</b>	<b>\$ 110,361,586</b>

**TABLE 10 - OTHER OBLIGATIONS**

As of September 30, 2017, the City had no unfunded debt outstanding.

**CAPITAL IMPROVEMENT PROGRAM.** . . . The City Council annually adopts a Capital Improvement Program (the “CIP”) that consists of projects that involve the construction of infrastructure and major facilities and the acquisition of large equipment. The CIP, which is adopted on a calendar-year basis, details expected resources and planned expenditures over a five-year period, lists projects for each capital improvement fund and provides descriptions of projects and funding sources. The CIP budget differs from the City’s operational budget because of its “multi-year” focus, which means that a project can span more than one fiscal year. In approving the CIP, the City Council actually appropriates the funds for the plan year, while approving, in concept, the plan for future years. The CIP is developed for planning purposes and may identify projects that will be deferred or omitted entirely in future years; only projects for the current fiscal year are included in the City’s adopted budget. In addition, as conditions change, new projects may be added that were not identified in the prior year programs.

For 2017, the CIP includes approximately \$293 million in total budgeted expenditures for all City capital projects, including general obligation, water, wastewater and electric projects. The total CIP for the five-year period of 2017-2021 includes approximately \$818.9 million of anticipated capital improvement projects. The City Council adopted CIP document is available on the City website at: <http://www.ci.garland.tx.us/gov/ab/budget/cip.asp>.

**GENERAL OBLIGATION COMMERCIAL PAPER PROGRAM.** . . Pursuant to an ordinance adopted by the City Council on February 17, 2015, the City authorized a General Obligation Commercial Paper Program pursuant to which the City is authorized to issue commercial paper notes (the “2015 Notes”) for any Authorized Purposes described in Table 9 above, with a total available authorization in the principal amount of \$50,000,000.

There are no 2015 Notes currently outstanding.

The 2015 Notes may be issued for a period of not less than 7 days and not to exceed 270 days and will bear interest upon the specific terms of the 2015 Notes, but not to exceed 15% per annum. The principal of and interest on the commercial paper notes is payable from drawings on a direct pay letter of credit issued by Citibank, N.A. that currently expires in March 2019. The 2015 Notes are initially offered by the commercial paper dealer, and proceeds therefrom are used to finance various capital and public improvement projects authorized by the voters. The general types of these projects are set forth under “Table 9- Authorized but Unissued General Obligation Bonds.”

**TABLE 11 – COMPUTATION OF SELF-SUPPORTING DEBT**

	Electric	Water and Sewer	Customer Service	Environmental Waste Service	Fleet Services	Information Technology & Communications	Warehouse	Stormwater	Downtown TIF
Cash and Cash Equivalents Beginning of FY 2017 <sup>(1)</sup>	\$ 24,760,559	\$ 9,158,129	\$ 7,669,067	\$ 433,173	\$ 374,421	\$ 3,286,320	\$ -	\$ 365,011	\$ 281,974
Revenues FY 2017 <sup>(2)</sup>	282,241,433	108,561,687	12,392,071	19,802,433	8,433,145	18,214,756	901,110	3,867,887	543,928
Operating Expenses FY 2017 <sup>(3)</sup>	(216,447,629)	(69,300,823)	(11,014,335)	(15,669,874)	(8,356,857)	(14,923,723)	(915,406)	(3,657,175)	(155,834)
Net Available for Debt Service	<u>\$ 90,554,363</u>	<u>\$ 48,418,993</u>	<u>\$ 9,046,803</u>	<u>\$ 4,565,732</u>	<u>\$ 450,709</u>	<u>\$ 6,577,353</u>	<u>\$ (14,296)</u>	<u>\$ 575,723</u>	<u>\$ 670,068</u>
Revenue Bonds Debt Service FY 2018	\$ 18,793,766	\$ 20,939,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Available for Self-Supporting D/S	<u>\$ 71,760,597</u>	<u>\$ 27,479,937</u>	<u>\$ 9,046,803</u>	<u>\$ 4,565,732</u>	<u>\$ 450,709</u>	<u>\$ 6,577,353</u>	<u>\$ (14,296)</u>	<u>\$ 575,723</u>	<u>\$ 670,068</u>
Self-Supported GO Debt Service FY 2018	\$ 26,392,650	\$ 3,340,975	\$ 2,176,875	\$ 3,042,664	\$ 152,550	\$ 1,074,261	\$ 5,875	\$ 231,420	\$ 253,200

The amount of self-supporting debt for FY 2017 payable from available revenues of the City is set forth herein. It is the City's current policy to provide these payments from such revenues; provided this policy is subject to change in the future. In the event payment is not made from such revenues, the City will be required to assess an ad valorem tax sufficient to make such payments.

(1) Audited unrestricted cash, rate mitigation funds, and available for debt retirement (not including revenue bonds' reserve funds).

(2) Includes audited investment income and cash related non-operating revenues. Excludes other contributions.

(3) Excludes audited non-cash operating expenses.

## PENSION FUND

### Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. A copy of separately audited financial statements of the plan can be obtained from the TMRS internet site ([tmrs.org](http://tmrs.org)) or by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions. In addition, the City granted another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his/her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at age 60 and above with five or more years of service or with 20 years of service regardless of age. The plan also provides death and disability benefits. A member is vested after five years, but he/she must leave his/her accumulated contributions in the plan. If a member withdraws his/her own money, he/she is not entitled to the employer-financed monetary credits, even if he/she was vested. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

### Contributions

The contribution rate for employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. While the City is required to contribute the statutory rate, as a practical matter, TMRS adopts statutory rates that conform with Generally Accepted Accounting Principles (GAAP). The City discloses the annual pension costs based on the calculated rates per GAAP for the City's fiscal year. The rate per GAAP is 10.50% of covered payroll for the three months in calendar year 2016, and 20.17% for the nine months in calendar year 2017. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's amortization period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

The City's total payroll in fiscal year 2017 was \$175,919,852 and the City's contributions were based on a payroll of \$141,938,528. Both the City and the covered employees made the required contributions, amounting to \$15,568,576 for the City and \$9,932,682 (7 %) for the employees.

**TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY**

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
<b>Revenues:</b>					
Taxes	\$ 78,643,331	\$ 74,251,245	\$ 67,837,856	\$ 64,744,909	\$ 63,253,894
Franchise Fees	8,746,777	8,452,280	8,832,022	9,091,491	8,646,942
Service Charges	26,037,157	26,789,030	22,040,585	20,791,739	20,239,605
Licenses and Permits	5,201,460	4,906,892	3,860,441	3,781,703	3,393,137
Interest Revenue	330,243	231,966	289,176	259,387	213,732
Intergovernmental	803,933	820,599	722,230	692,291	1,190,211
Charges for Services	9,426,444	8,975,685	8,576,934	8,002,858	7,973,376
Fines and Forfeitures	8,586,513	7,521,426	6,608,238	6,730,988	6,955,299
Rents and Concessions	745,942	748,504	829,410	833,456	804,298
<b>Total Revenues</b>	<b>\$ 138,521,800</b>	<b>\$ 132,697,627</b>	<b>\$ 119,596,892</b>	<b>\$ 114,928,822</b>	<b>\$ 112,670,494</b>
<b>Expenditures:</b>					
General Government	\$ 11,396,295	\$ 11,371,688	\$ 10,196,396	\$ 9,763,970	\$ 9,679,317
Public Safety	89,743,140	87,878,926	81,633,191	79,341,146	78,338,393
Public Works	22,329,429	22,529,626	20,656,938	19,617,640	17,391,246
Culture and Recreation	15,083,685	14,366,431	13,573,292	13,371,187	13,218,113
Public Health	3,801,719	3,885,801	3,763,652	3,606,072	3,579,737
Non-departmental	24,798,432	26,805,888	23,629,265	20,992,758	21,243,401
<b>Total Expenditures</b>	<b>\$ 167,152,700</b>	<b>\$ 166,838,360</b>	<b>\$ 153,452,734</b>	<b>\$ 146,692,773</b>	<b>\$ 143,450,207</b>
Excess (deficiency) of Revenues Over Expenditures	<u>\$ (28,630,900)</u>	<u>\$ (34,140,733)</u>	<u>\$ (33,855,842)</u>	<u>\$ (31,763,951)</u>	<u>\$ (30,779,713)</u>
Other Financing Sources (Uses):					
Sale of Capital Assets	\$ 312,911	\$ 70,771	\$ 167,619	\$ 137,275	\$ 361,687
Operating Transfers - Net	36,467,410	35,374,186	33,703,336	33,092,475	32,618,375
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>\$ 8,149,421</u>	<u>\$ 1,304,224</u>	<u>\$ 15,113</u>	<u>\$ 1,465,799</u>	<u>\$ 2,200,349</u>
Beginning Fund Balance	<u>27,049,006</u>	<u>25,744,782</u>	<u>25,729,669</u>	<u>24,263,870</u>	<u>22,063,521</u>
Ending Fund Balance	<u>\$ 35,198,427</u>	<u>\$ 27,049,006</u>	<u>\$ 25,744,782</u>	<u>\$ 25,729,669</u>	<u>\$ 24,263,870</u>



**TABLE 12A – CHANGES IN NET ASSETS**

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues:					
Program Revenues:					
Charges for Services	\$ 465,808,779	\$ 462,816,924	\$ 508,477,260	\$ 534,069,496	\$ 454,125,594
Operation Grants and Contributions	17,156,144	15,090,766	14,640,650	14,290,332	17,203,324
Capital Grants and Contributions	16,006,622	10,911,616	4,374,021	1,513,276	3,573,169
General Revenues:					
Property Taxes	87,329,443	79,069,419	74,345,310	71,507,322	71,160,273
Sales Taxes	29,894,875	30,234,776	26,497,069	24,667,765	23,537,389
Other Taxes	10,650,995	10,295,965	10,360,759	10,421,218	9,833,804
Unrestricted Interest Earnings	3,078,959	2,585,177	2,644,942	2,161,264	308,938
Miscellaneous	2,002,037	2,841,320	4,490,248	2,207,770	1,760,464
Total Revenues	\$ 631,927,854	\$ 613,845,963	\$ 645,830,259	\$ 660,838,443	\$ 581,502,955
Expenses:					
General Government	\$ 33,421,800	\$ 32,857,828	\$ 28,672,583	\$ 27,639,946	\$ 29,243,108
Public Safety	107,419,896	103,855,466	93,438,294	91,105,170	92,128,110
Public Works	39,356,985	46,703,808	42,473,055	41,893,889	40,870,496
Culture and Recreation	24,743,188	24,405,765	21,780,835	20,820,273	21,442,173
Public Health	4,682,394	4,819,386	4,401,399	4,105,273	4,322,827
Interest and Fiscal Charges	8,391,567	8,833,481	8,323,617	9,696,538	11,094,537
Electric	282,989,503	281,386,514	319,583,367	344,969,100	271,815,312
Water	58,299,626	54,403,015	48,965,136	46,952,415	43,758,542
Sewer	37,321,258	36,662,146	35,609,533	36,080,645	36,288,797
Golf	5,080,114	4,926,096	4,808,720	4,738,094	4,889,818
Heliport	5,344	5,350	5,351	5,329	5,365
Storm Water Management	3,842,023	3,878,831	3,949,180	3,996,717	3,926,814
Parks Performance	1,259,287	1,233,076	1,113,223	1,031,470	964,590
Sanitation	17,841,828	17,786,836	17,085,912	17,415,020	16,965,951
Total Expenses	\$ 624,654,813	\$ 621,757,598	\$ 630,210,205	\$ 650,449,879	\$ 577,716,440
Increase in Net Position Before Transfers	\$ 7,273,041	\$ (7,911,635)	\$ 15,620,054	\$ 10,388,564	\$ 3,786,515
Transfers	-	-	-	-	-
Increase in Net Position	7,273,041	(7,911,635)	15,620,054	10,388,564	3,786,515
Net Position - Beginning	835,881,241	843,792,876	828,172,822 <sup>(1)</sup>	799,208,351 <sup>(2)</sup>	803,630,523 <sup>(1)</sup>
Net Position - Ending	\$ 843,154,282	\$ 835,881,241	\$ 843,792,876	\$ 809,596,915	\$ 807,417,038

(1) Restated

(2) Cumulative effect of change in accounting principle.

**TABLE 13 - MUNICIPAL SALES TAX HISTORY**

Fiscal Year Ended 9/30	Total Collected <sup>(1)</sup>	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita <sup>(2)</sup>
2014	\$ 24,667,765	34.43%	\$ 0.2426	\$ 106.50
2015	26,497,069	35.90%	0.2536	113.62
2016	30,234,776	38.46%	0.2699	128.18
2017	29,894,875	34.33%	0.2267	126.73
2018	12,349,996 <sup>(3)</sup>	12.85%	0.0906	52.16

(1) As reported by the CAFR.

(2) Source: Estimates of North Central Texas Council of Governments and the City Planning Department.

(3) As reported by the City Staff. Partial collections through February 2018.

**TABLE 14 - CURRENT INVESTMENTS**

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

Type of Investments	Book Value	
	Amount	Percent
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>

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

**TABLE B-1 - ELECTRIC RATE SCHEDULES OF THE CITY (EXCLUDES RECOVERY ADJUSTMENT FACTOR)**

<b>Residential Service Rate</b>			
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	
<b>General Service - Small (0-20 kW Demand)</b>			
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: November/April		Demand: May/October	
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

<b>Public Institutional Electric Service Rate</b>		<b>High Tension Service Rate (5,000 kW and Greater Demand)</b>	
Customer Charge	\$19.25	Energy	
November/April	\$0.0413 Per kWh	0-6,000,000	\$0.0056 Per kWh
May/October	\$0.0520 Per kWh	Over 6,000,000	\$0.0033 Per kWh
		Demand Charge	\$8.25 Per kWh

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

Type of Customer	2017			2016		
	Energy Sales (kWh)	Revenues	Number of Customers	Energy Sales (kWh)	Revenues	Number of Customers
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 (kWh)	Revenues	Number of Customers	Energy Sales (kWh)	Revenues	Number of Customers
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		Number of Customers
	Energy Sales (kWh)	Revenues	
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 B-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 B-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		
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 B-5 - ELECTRIC SYSTEM REVENUE SUPPORTED GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending 9/30	Outstanding Electric Util. Syst. Rev. Supported General Obligation Debt Service			Total Electric Syst. Revenue Supported G.O. Debt Service	% of Principal Retired
	Principal	Interest	Total D/S		
	2018	\$ 18,240,000	\$ 8,152,650		
2019	19,155,000	7,234,625	26,389,625	26,389,625	
2020	20,140,000	6,252,250	26,392,250	26,392,250	
2021	9,165,000	5,519,625	14,684,625	14,684,625	
2022	9,570,000	5,051,250	14,621,250	14,621,250	44.16%
2023	10,060,000	4,560,500	14,620,500	14,620,500	
2024	10,570,000	4,044,750	14,614,750	14,614,750	
2025	11,115,000	3,502,625	14,617,625	14,617,625	
2026	11,680,000	2,937,750	14,617,750	14,617,750	
2027	12,275,000	2,343,875	14,618,875	14,618,875	76.41%
2028	12,905,000	1,714,375	14,619,375	14,619,375	
2029	13,570,000	1,052,500	14,622,500	14,622,500	
2030	14,265,000	356,625	14,621,625	14,621,625	100.00%
	<u>\$ 172,710,000</u>	<u>\$ 52,723,400</u>	<u>\$ 225,433,400</u>	<u>\$ 225,433,400</u>	

**TABLE B-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 <sup>(1)</sup>	\$ 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 <sup>(2)</sup>	\$ 68,841,393	\$ 66,401,347	\$ 57,830,642	\$ 65,666,877	\$ 56,586,270
Debt Service Requirements	\$ 17,247,442 <sup>(3)</sup>	\$ 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 B-7 - COVERAGE AND FUND BALANCES

All System REVENUE Debt Average Annual Principal and Interest Requirements, 2018-2037 <sup>(1)</sup>	\$ 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 <sup>(1)</sup>	\$ 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 <sup>(2)</sup>	\$ -

(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.

All System REVENUE and System Supported GO Debt Average Annual Principal and Interest Requirements, 2018-2037	\$ 29,863,445
Coverage of Average Annual Requirements by 2017 Net Income	2.22x
All System REVENUE and System Supported GO Debt Maximum Annual Principal and Interest Requirements, 2018-2037	\$ 45,210,269
Coverage of Maximum Requirements by 2017 Net Income	1.47x
Total Electric Utility System Revenue Supported General Obligation Debt	\$ 172,710,000

## TABLE B-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 B-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	\$ 882,601,520	\$ 829,071,662	\$ 839,034,601	\$ 791,080,444	\$ 779,969,584
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	\$ 538,154,976	\$ 465,717,141	\$ 454,466,289	\$ 397,776,303	\$ 385,962,186
City's Equity in System	\$ 344,446,544	\$ 363,354,521	\$ 384,568,312	\$ 393,304,141	\$ 394,007,398
Percent Equity in System	39.02%	43.83%	45.83%	49.72%	50.52%