

## 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):**

\$ 21,050,000 Electric Utility System Revenue Bonds, Series 2007  
\$ 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 2015B

**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 2014

\_\_\_ Monthly \_\_\_ Quarterly  Annual \_\_\_ Other: \_\_\_\_\_

\* \* \*

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

Signature: /s/ David Schuler

Name: David Schuler Title: Director of Financial Services

Employer: City of Garland, Texas

Voice Telephone Number: (972) 205-2355

Email Address: dschuler@ci.garland.tx.us

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### Electric Utility System Revenue Bonds, Series 2007

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 975,000	366133DV5
03/01/17	1,025,000	366133DW3
03/01/18	1,075,000	366133DX1
03/01/19	1,120,000	366133DY9
03/01/20	1,170,000	366133DZ6
03/01/21	1,235,000	366133EA0
03/01/22	1,290,000	366133EB8
03/01/27	7,435,000	366133EC6
	<u>\$ 15,325,000</u>	

### Electric Utility System Revenue Bonds, Series 2008

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 420,000	366133ER3
03/01/17	440,000	366133ES1
03/01/18	455,000	366133ET9
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>\$ 7,160,000</u>	

**Electric Utility System Revenue Bonds, Series 2009**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 290,000	366133 FL5
03/01/17	300,000	366133 FM3
03/01/18	310,000	366133 FN1
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>\$ 5,450,000</u>	

**Electric Utility System Revenue Bonds, Series 2011**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 305,000	366133 GC4
03/01/17	315,000	366133 GD2
03/01/18	325,000	366133 GE0
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>\$ 7,055,000</u>	

**Electric Utility System Revenue Refunding Bonds, Series 2011A**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 1,620,000	366133 GV2
03/01/17	1,680,000	366133 GW0
03/01/18	1,745,000	366133 GX8
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>\$ 16,335,000</u>	

**Electric Utility System Revenue Refunding Bonds, Series 2013**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 1,075,000	366133HE9
03/01/17	1,100,000	366133HF6
03/01/18	1,115,000	366133HG4
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>\$ 11,790,000</u>	

**Electric Utility System Revenue Refunding Bonds, New Series 2014**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 2,695,000	366133HQ2
03/01/17	2,835,000	366133HR0
03/01/18	2,980,000	366133HS8
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
09/01/15	1,880,000	366133JK3
	<u>\$ 85,305,000</u>	

**Electric Utility System Revenue Refunding Bonds, New Series 2015B**

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/01/16	\$ 1,400,000	366133JM9
03/01/17	1,455,000	366133JN7
03/01/18	1,510,000	366133JP2
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
09/01/15	85,000	366133JL1
	<u>\$ 15,355,000</u>	



CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2014

CITY OF GARLAND, TEXAS

UTILITY REVENUE DEBT



## **FINANCIAL STATEMENTS**

The audited financial statements for the City for the fiscal year ended September 30, 2014 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/ David Schuler*

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David Schuler  
Director of Financial Services

Approved for Submission:

03/27/2015

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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 National 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

First Southwest Company

Signed by:

/s/ Penny Brooker

**CITY OF GARLAND, TEXAS  
2015 ELECTRIC UTILITY REVENUE DEBT REPORT**

**TABLE 1 - ELECTRIC RATE SCHEDULES OF THE CITY (EFFECTIVE OCTOBER 1, 2013, EXCLUDES RATE 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: <u>November/April</u>		Demand: <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	2014			2013		
	Energy Sales (kWh)	Revenues	Number of Customers	Energy Sales (kWh)	Revenues	Number of Customers
Residential	934,941,388	\$ 101,136,584	62,868	886,893,438	\$ 99,278,774	62,752
Commercial	786,709,303	77,902,262	6,387	771,613,215	76,751,089	6,366
Industrial	267,933,253	16,806,413	7	265,102,898	15,779,514	8
Total	<u>1,989,583,944</u>	<u>\$ 195,845,259</u>	<u>69,262</u>	<u>1,923,609,551</u>	<u>\$ 191,809,377</u>	<u>69,126</u>

  

Type of Customer	2012			2011		
	Energy Sales (kWh)	Revenues	Number of Customers	Energy Sales (kWh)	Revenues	Number of Customers
Residential	895,369,141	\$ 98,555,063	62,084	975,845,219	\$ 107,397,355	61,731
Commercial	786,428,512	78,536,769	6,304	820,815,190	80,382,676	6,295
Industrial	278,540,907	16,141,663	8	286,602,192	17,604,390	8
Total	<u>1,960,338,560</u>	<u>\$ 193,233,495</u>	<u>68,396</u>	<u>2,083,262,601</u>	<u>\$ 205,384,421</u>	<u>68,034</u>

Type of Customer	2010		
	Energy Sales (kWh)	Revenues	Number of Customers
Residential	963,214,969	\$ 110,448,915	61,721
Commercial	807,482,127	83,043,882	6,272
Industrial	278,417,135	18,365,663	8
Total	<u>2,049,114,231</u>	<u>\$ 211,858,460</u>	<u>68,001</u>

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

	2014	2013	2012	2011	2010
Owned Capacity (MW)	530	530	530	530	530
Firm Purchase Capacity (MW)	221	221	221	221	221
Peak Demand (MW)	447	474	495	515	492

**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		
	2015	\$ 5,205,000	\$ 2,724,110	\$ 7,929,110	\$ 1,965,000	\$ 5,236,336		
2016	4,685,000	2,520,051	7,205,051	4,095,000	4,669,675	8,764,675	15,969,726	
2017	4,860,000	2,343,604	7,203,604	4,290,000	4,481,325	8,771,325	15,974,929	
2018	5,025,000	2,164,041	7,189,041	4,490,000	4,276,650	8,766,650	15,955,691	
2019	5,230,000	1,968,719	7,198,719	4,710,000	4,062,075	8,772,075	15,970,794	26.37%
2020	5,450,000	1,748,729	7,198,729	4,930,000	3,837,125	8,767,125	15,965,854	
2021	5,695,000	1,511,294	7,206,294	5,170,000	3,601,325	8,771,325	15,977,619	
2022	5,930,000	1,262,091	7,192,091	5,425,000	3,344,975	8,769,975	15,962,066	
2023	6,185,000	1,003,860	7,188,860	5,705,000	3,066,725	8,771,725	15,960,585	
2024	5,310,000	768,913	6,078,913	5,965,000	2,804,075	8,769,075	14,847,988	59.37%
2025	4,285,000	580,273	4,865,273	4,620,000	2,574,400	7,194,400	12,059,673	
2026	3,135,000	422,479	3,557,479	4,450,000	2,353,500	6,803,500	10,360,979	
2027	3,285,000	271,568	3,556,568	4,675,000	2,125,375	6,800,375	10,356,943	
2028	1,745,000	150,575	1,895,575	4,915,000	1,885,625	6,800,625	8,696,200	
2029	1,090,000	80,719	1,170,719	5,165,000	1,633,625	6,798,625	7,969,344	81.48%
2030	590,000	40,950	630,950	5,430,000	1,368,750	6,798,750	7,429,700	
2031	615,000	13,838	628,838	5,710,000	1,090,250	6,800,250	7,429,088	
2032	-	-	-	6,005,000	797,375	6,802,375	6,802,375	
2033	-	-	-	6,310,000	489,500	6,799,500	6,799,500	
2034	-	-	-	6,635,000	165,875	6,800,875	6,800,875	100.00%
	<u>\$ 68,320,000</u>	<u>\$ 19,575,813</u>	<u>\$ 87,895,813</u>	<u>\$ 100,660,000</u>	<u>\$ 53,864,561</u>	<u>\$ 154,524,561</u>	<u>\$ 242,420,374</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,				
	2014	2013	2012	2011	2010
<u>Operating Revenues</u>					
Charges for Services <sup>(1)</sup>	\$ 376,657,906	\$ 296,866,570	\$ 222,228,397	\$ 222,638,789	\$ 231,758,075
Other	725,327	891,631	1,472,387	866,189	710,540
Total Operating Revenues	<u>\$ 377,383,233</u>	<u>\$ 297,758,201</u>	<u>\$ 223,700,784</u>	<u>\$ 223,504,978</u>	<u>\$ 232,468,615</u>
<u>Operating Expenses:</u>					
Salaries and Benefits	\$ 21,469,028	\$ 21,106,404	\$ 22,885,920	\$ 22,821,422	\$ 22,588,554
Demand Charges <sup>(2)</sup>	49,209,149	56,788,485	22,951,019	24,748,777	51,494,491
Fuel Purchases <sup>(3)</sup>	214,756,435	136,202,089	59,878,679	61,418,646	69,729,685
Maintenance Repairs and Supplies	11,232,868	12,169,585	15,082,597	9,781,439	9,701,390
Insurance and Other Expenses	3,859,840	3,057,223	2,466,486	2,009,196	2,100,333
Insurance Claims Payable	305,748	426,586	-	244,524	298,241
General and Administrative	12,121,668	11,421,559	11,190,776	12,166,940	11,889,485
Capitalized General and Administrative	-	-	(516,092)	(1,440,576)	(1,335,982)
Total	<u>\$ 312,954,736</u>	<u>\$ 241,171,931</u>	<u>\$ 133,939,385</u>	<u>\$ 131,750,368</u>	<u>\$ 166,466,197</u>
Net Available for Debt Service	\$ 64,428,497	\$ 56,586,270	\$ 89,761,399	\$ 91,754,610	\$ 66,002,418
Debt Service Requirements	\$ 9,929,481	\$ 10,140,808	\$ 10,291,124	\$ 10,227,434	\$ 10,229,755
Debt Service Coverage <sup>(4)</sup>	6.49x	5.58x	8.05x	8.97x	6.45x
Electric Customers	69,262	69,126	68,396	68,034	68,001

(1) The increase in FYE 2014 Charges for Services from FYE2013 is primarily a result of the City's addition of two (2) new wholesale customers and the increase in load of an existing wholesale customer.

(2) A refunding by TMPA in 2010 resulted in lower debt service payments for TMPA in 2011 and 2012, which correspondingly reduced Demand Charges to the City for FYE 2011 and 2012.

(3) The increase in FYE 2014 Fuel Purchases from FYE2013 is primarily a result of the City's addition of two (2) new wholesale customers and the increase in load of an existing wholesale customer.

(4) Excludes transfers from Rate Mitigation Fund. As of March 15, 2015, the City has \$153,375,000 aggregate principal amount of general obligation debt outstanding that it considers to be self-supporting from the surplus Net Revenues of the System (the "Self-Supporting GO Debt"). Other than a de minimus \$1,000 pledge of surplus Net Revenues to a portion of the outstanding Self-Supporting GO Debt, the Net Revenues of the System ARE NOT pledged in any manner to the Self-Supporting GO Debt. Nevertheless, it is the City's current intention to pay the Self-Supporting GO Debt from annual transfers of surplus Net Revenues of the System. The average annual debt service on the Self-Supporting GO Debt is \$14,511,295 and the maximum annual debt service is \$14,782,000 in the fiscal year ending September 30, 2021. The final maturity of the currently outstanding Self-Supporting GO Debt is during the fiscal year ending September 30, 2030.

**TABLE 7 - COVERAGE AND FUND BALANCES <sup>(1)</sup>**

Aggregate Average Annual Principal and Interest Requirements, 2015-2034	\$ 12,121,019
Coverage of Average Annual Requirements by 2014 Net Income	5.32x
Aggregate Maximum Principal and Interest Requirements, 2021	\$ 15,977,619
Coverage of Maximum Requirements by 2014 Net Income	4.03x
Prior Lien Bonds Outstanding as of 3/15/2015	\$ 63,115,000
New Series Bonds Outstanding as of 3/15/2015	100,660,000
TOTAL Projected Electric Utility System Revenue Bonds	<u>\$ 163,775,000</u>
Debt Service Reserve Fund Balance, 3/15/2015 <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.

**TABLE 8 - VALUE OF THE SYSTEM**

	For Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
Electric System	\$ 521,842,370	\$ 426,218,077	\$ 417,549,738	\$ 397,729,870	\$ 386,619,954
Land	10,030,714	5,078,858	5,065,576	3,643,326	3,566,290
Total Value	<u>\$ 531,873,084</u>	<u>\$ 431,296,935</u>	<u>\$ 422,615,314</u>	<u>\$ 401,373,196</u>	<u>\$ 390,186,244</u>
Less: Accumulated Depreciation	176,029,001	170,757,000	162,225,886	156,311,108	149,914,710
	<u>\$ 355,844,083</u>	<u>\$ 260,539,935</u>	<u>\$ 260,389,428</u>	<u>\$ 245,062,088</u>	<u>\$ 240,271,534</u>
Plus: Construction in Progress	12,290,960	83,968,380	10,272,210	23,518,422	20,551,728
Net Property, Plant and Equipment	<u>\$ 368,135,043</u>	<u>\$ 344,508,315</u>	<u>\$ 270,661,638</u>	<u>\$ 268,580,510</u>	<u>\$ 260,823,262</u>

**TABLE 9 - CITY'S EQUITY IN SYSTEM**

	For Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
Net Property, Plant and Equipment	\$ 368,135,043	\$ 344,508,315	\$ 270,661,638	\$ 268,580,510	\$ 260,823,262
Cash and Investments	253,693,775	247,586,669	43,856,397	220,178,652	184,132,639
Other Assets	169,251,626	187,874,600	386,025,111	167,506,263	175,655,693
Total Assets	<u>\$ 791,080,444</u>	<u>\$ 779,969,584</u>	<u>\$ 700,543,146</u>	<u>\$ 656,265,425</u>	<u>\$ 620,611,594</u>
Revenue Bonds Payable	\$ 185,654,342	\$ 93,973,082	\$ 100,312,623	\$ 106,411,602	\$ 102,585,000
General Obligation Bonds Payable	36,327,775	41,434,985	46,589,201	51,583,274	49,680,000
Certificates of Obligation Payable	135,738,125	136,680,781	137,563,637	138,401,554	131,537,998
Unamortized Bond Issue Cost	-	(2,944,700)	-	(3,739,536)	4,001,652
Other Liabilities	40,056,061	116,818,038	27,951,877	14,768,222	14,247,425
Total Liabilities	<u>\$ 397,776,303</u>	<u>\$ 385,962,186</u>	<u>\$ 312,417,338</u>	<u>\$ 307,425,116</u>	<u>\$ 302,052,075</u>
City's Equity in System	<u>\$ 393,304,141</u>	<u>\$ 394,007,398</u>	<u>\$ 388,125,808</u>	<u>\$ 348,840,309</u>	<u>\$ 318,559,519</u>
Percent Equity in System	49.72%	50.52%	55.40%	53.16%	51.33%

**TABLE 10 - CURRENT INVESTMENTS**

As of February 28, 2015 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>
Federal Agency Coupon Securities	\$ 298,202,381	68.89%
Federal Agency Discount	36,989,897	8.55%
Municipal Bonds	3,374,061	0.78%
Certificates of Deposit	29,488,650	6.81%
Investment Pool	64,802,580	14.97%
	<u>\$ 432,857,569</u>	<u>100.00%</u>

