

## 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):**

|                |  |
|----------------|--|
| \$ 67,385,000  | General Obligation Refunding Bonds, Series 2007A                                 |
| \$ 16,975,000  | Combination Tax and Revenue Certificates of Obligation, Series 2007              |
| \$ 15,965,000  | Combination Tax and Revenue Certificates of Obligation, Series 2008              |
| \$ 57,760,000  | General Obligation Bonds, Series 2008A   |
| \$ 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 & Revenue Certificates of Obligation Series 2010                 |
| \$ 4,260,000   | Combination Tax & Revenue Certificates, 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 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                                 |

**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 2014
- \_\_\_ 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/ 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

### General Obligation Refunding Bonds, Series 2007A

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 8,240,000         | 366119SS5    |
| 02/15/17    | 6,760,000            | 366119ST3    |
| 02/15/18    | 7,985,000            | 366119SU0    |
| 02/15/19    | 7,210,000            | 366119SV8    |
| 02/15/20    | 6,600,000            | 366119SW6    |
| 02/15/21    | 6,705,000            | 366119SX4    |
| 02/15/22    | 2,940,000            | 366119SY2    |
| 02/15/23    | 1,090,000            | 366119SZ9    |
| 02/15/24    | 1,145,000            | 366119TA3    |
| 02/15/25    | 1,195,000            | 366119TB1    |
|             | <u>\$ 49,870,000</u> |              |

### Combination Tax and Revenue Certificates of Obligation, Series 2007

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 795,000           | 366119 TY1   |
| 02/15/17    | 835,000              | 366119 TZ8   |
| 02/15/18    | 875,000              | 366119 UA1   |
| 02/15/19    | 910,000              | 366119 UB9   |
| 02/15/20    | 945,000              | 366119 UC7   |
| 02/15/21    | 990,000              | 366119 UD5   |
| 02/15/22    | 1,030,000            | 366119 UE3   |
| 02/15/27    | 5,905,000            | 366119 UF0   |
|             | <u>\$ 12,285,000</u> |              |

**Combination Tax and Revenue Certificates of Obligation, Series 2008**

| <u>Date</u> | <u>Principal</u>    | <u>CUSIP</u> |
|-------------|---------------------|--------------|
| 02/15/16    | \$ 965,000          | 366119 VG7   |
| 02/15/17    | 1,005,000           | 366119 VH5   |
| 02/15/18    | 1,045,000           | 366119 VJ1   |
| 02/15/19    | 440,000             | 366119 VK8   |
| 02/15/20    | 460,000             | 366119 VL6   |
| 02/15/21    | 480,000             | 366119 VM4   |
| 02/15/22    | 500,000             | 366119 VN2   |
| 02/15/23    | 525,000             | 366119 VP7   |
| 02/15/24    | 550,000             | 366119 VQ5   |
| 02/15/25    | 575,000             | 366119 VR3   |
| 02/15/26    | 600,000             | 366119 VS1   |
| 02/15/27    | 630,000             | 366119 VT9   |
| 02/15/28    | 660,000             | 366119 VU6   |
|             | <u>\$ 8,435,000</u> |              |

**General Obligation Bonds, Series 2008A**

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 3,390,000         | 366119 UP8   |
| 02/15/17    | 3,560,000            | 366119 UQ6   |
| 02/15/18    | 3,495,000            | 366119 UR4   |
| 02/15/19    | 3,670,000            | 366119 US2   |
| 02/15/20    | 3,860,000            | 366119 UT0   |
| 02/15/21    | 4,060,000            | 366119 UU7   |
| 02/15/22    | 4,265,000            | 366119 UV5   |
| 02/15/23    | 4,485,000            | 366119 UW3   |
| 02/15/24    | 4,715,000            | 366119 UX1   |
| 02/15/25    | 4,950,000            | 366119 UY9   |
|             | <u>\$ 40,450,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 940,000           | 366119 wb7   |
| 02/15/17    | 980,000              | 366119 wc5   |
| 02/15/18    | 1,030,000            | 366119 wd3   |
| 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>\$ 17,715,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>      | <u>CUSIP</u> |
|-------------|-----------------------|--------------|
| 02/15/16    | \$ 1,580,000          | 366119 WV3   |
| 02/15/17    | 1,625,000             | 366119 WW1   |
| 02/15/18    | 1,685,000             | 366119 WX9   |
| 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>\$ 125,285,000</u> |              |

**Combination Tax & Revenue Certificates of Obligation Series 2010**

| <u>Date</u> | <u>Principal</u>    | <u>CUSIP</u> |
|-------------|---------------------|--------------|
| 02/15/16    | \$ 90,000           | 366119XS9    |
| 02/15/17    | 95,000              | 366119XT7    |
| 02/15/18    | 100,000             | 366119XU4    |
| 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>\$ 1,835,000</u> |              |

**Combination Tax & Revenue Certificates, Series 2011**

| <u>Date</u> | <u>Principal</u>    | <u>CUSIP</u> |
|-------------|---------------------|--------------|
| 02/15/16    | \$ 425,000          | 366119 YS8   |
| 02/15/17    | 230,000             | 366119 YT6   |
| 02/15/18    | 235,000             | 366119 YU3   |
| 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>\$ 2,650,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 1,200,000         | 366119 A21   |
| 02/15/17    | 1,235,000            | 366119 A39   |
| 02/15/18    | 1,265,000            | 366119 A47   |
| 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>\$ 10,615,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 830,000           | 366119 ZJ7   |
| 02/15/17    | 830,000              | 366119 ZK4   |
| 02/15/18    | 2,730,000            | 366119 ZL2   |
| 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>\$ 39,700,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>    | <u>CUSIP</u> |
|-------------|---------------------|--------------|
| 02/15/16    | \$ 795,000          | 366119B79    |
| 02/15/17    | 810,000             | 366119B87    |
| 02/15/18    | 290,000             | 366119B95    |
| 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>\$ 4,495,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 1,330,000         | 366119E84    |
| 02/15/17    | 985,000              | 366119E92    |
| 02/15/18    | 1,045,000            | 366119F26    |
| 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>\$ 10,300,000</u> |              |

**General Obligation Refunding Bonds, Series 2013**

| <u>Date</u> | <u>Principal</u>    | <u>CUSIP</u> |
|-------------|---------------------|--------------|
| 02/15/16    | \$ 3,025,000        | 366119E27    |
| 02/15/17    | 1,390,000           | 366119E35    |
| 02/15/18    | 1,390,000           | 366119E43    |
| 02/15/19    | 570,000             | 366119E50    |
|             | <u>\$ 6,375,000</u> |              |

**General Obligation Refunding Bonds, Series 2014**

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 2,565,000         | 366119H32    |
| 02/15/17    | 2,260,000            | 366119H40    |
| 02/15/18    | 2,055,000            | 366119H57    |
| 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>\$ 15,495,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 1,645,000         | 366119J30    |
| 02/15/17    | 1,675,000            | 366119J48    |
| 02/15/18    | 1,710,000            | 366119J55    |
| 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>\$ 11,915,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 6,400,000         | 366119L78    |
| 02/15/17    | 7,985,000            | 366119L86    |
| 02/15/18    | 7,125,000            | 366119L94    |
| 02/15/19    | 7,510,000            | 366119M28    |
| 02/15/20    | 5,195,000            | 366119M36    |
|             | <u>\$ 34,215,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 335,000           | 366119M44    |
| 02/15/17    | 780,000              | 366119M51    |
| 02/15/18    | 805,000              | 366119M69    |
| 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>\$ 22,695,000</u> |              |

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

| <u>Date</u> | <u>Principal</u>     | <u>CUSIP</u> |
|-------------|----------------------|--------------|
| 02/15/16    | \$ 450,000           | 366119P82    |
| 02/15/17    | 450,000              | 366119P90    |
| 02/15/18    | 450,000              | 366119Q24    |
| 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>\$ 22,490,000</u> |              |

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

CITY OF GARLAND, TEXAS

GENERAL OBLIGATION DEBT



**FirstSouthwest**

## **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 GENERAL OBLIGATION DEBT REPORT**

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

|   |               |                       |
|---|---------------|-----------------------|
| 2014/2015 Market Valuation Established by the Collin, Dallas and Rockwall Central Appraisal Districts |               | \$ 12,908,439,090     |
| Less Exemptions/Reductions at 100% Market Value:  |               |                       |
| Totally Exempt  | 883,161,670   |                       |
| Residential Homestead   | 418,419,887   |                       |
| Over 65   | 625,232,763   |                       |
| Disabled Persons  | 69,732,336    |                       |
| Disabled Veterans   | 19,099,615    |                       |
| Pollution Control   | 307,235       |                       |
| Freeport  | 357,524,327   |                       |
| Capped Loss   | 17,758,632    |                       |
| Productivity Loss   | 61,217,926    |                       |
| Prorated Total Exempt   | 312,091       |                       |
| Tax Abatement Reductions  | 6,159,630     |                       |
| Misc.   | 82,410        | <u>2,459,008,522</u>  |
| 2014/2015 Taxable Assessed Valuation  |               | \$ 10,449,430,568     |
| General Obligation Debt Payable from Ad Valorem Taxes (as of 3/15/2015)                               |               | \$ 437,380,000        |
| Less: Self Supporting Debt Balance (as of 3/15/15) <sup>(1)</sup>                                     |               |                       |
| Wastewater  | \$ 13,705,000 |                       |
| Water   | 4,540,000     |                       |
| Communications  | 2,260,000     |                       |
| Electric  | 153,375,000   |                       |
| Customer Service  | 21,590,000    |                       |
| Environmental Waste Services  | 5,535,000     |                       |
| Fleet Services  | 375,000       |                       |
| Information Technology Services   | 3,195,000     |                       |
| Warehouse   | 30,000        |                       |
| Stormwater  | 105,000       |                       |
| Downtown TIF  | 2,710,000     | <u>\$ 207,420,000</u> |
| Net General Obligation Debt Payable from Ad Valorem Taxes   |               | \$ 229,960,000        |
| General Obligation Interest and Sinking Fund (as of 3/1/2015)   |               | \$ 9,652,151          |
| Ratio General Obligation Tax Debt to Taxable Assessed Valuation                                       |               | 2.20%                 |

2015 Estimated Population - 233,206  
Per Capita Taxable Assessed Valuation - \$44,808  
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$986

(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, |            |   |            |   |            |
|---|---|------------|---|------------|---|------------|
|   | 2015  |            | 2014                                    |            | 2013                                    |            |
|   | Amount  | % of Total | Amount                                  | % of Total | Amount                                  | % of Total |
| Real, Residential, Single-Family        | \$ 7,021,659,004  | 54.40%     | \$ 6,801,414,247                        | 57.66%     | \$ 6,819,142,345                        | 58.02%     |
| Real, Residential, Multi-Family         | 831,695,350   | 6.44%      | 748,208,080                             | 6.34%      | 696,052,460                             | 5.92%      |
| Real, Vacant Lots/Tracts                | 340,387,159   | 2.64%      | 191,070,972                             | 1.62%      | 188,876,446                             | 1.61%      |
| Real, Acreage (Land Only)               | 58,878,325  | 0.46%      | 62,163,305                              | 0.53%      | 72,037,935                              | 0.61%      |
| Real, Farm and Ranch Improvements       | 3,720,190   | 0.03%      | 3,288,820                               | 0.03%      | 3,288,820                               | 0.03%      |
| Real, Commercial                        | 2,702,363,412   | 20.93%     | 1,930,990,965                           | 16.37%     | 1,895,291,899                           | 16.13%     |
| Real, Industrial                        | 172,885,600   | 1.34%      | 173,082,210                             | 1.47%      | 169,240,240                             | 1.44%      |
| Real and Tangible Personal, Utilities   | 128,555,060   | 1.00%      | 118,870,250                             | 1.01%      | 114,557,010                             | 0.97%      |
| Tangible Personal, Commercial           | 942,269,570   | 7.30%      | 936,248,510                             | 7.94%      | 938,726,820                             | 7.99%      |
| Tangible Personal, Industrial           | 665,788,890   | 5.16%      | 795,046,790                             | 6.74%      | 825,596,410                             | 7.02%      |
| Tangible Personal, Other                | 135,030   | 0.00%      | 83,660                                  | 0.00%      | 97,120                                  | 0.00%      |
| Real Property, Inventory                | 52,500  | 0.00%      | 216,660                                 | 0.00%      | 120,250                                 | 0.00%      |
| Special Inventory                       | 40,049,000  | 0.31%      | 34,684,410                              | 0.29%      | 29,687,000                              | 0.25%      |
| Total Appraised Value Before Exemptions | \$ 12,908,439,090 <sup>(1)</sup>                            | 100.00%    | \$ 11,795,368,879                       | 100.00%    | \$ 11,752,714,755                       | 100.00%    |
| Less: Total Exemptions/Reductions       | 2,459,008,522   |            | 1,626,320,665                           |            | 1,635,635,560                           |            |
| Adjustments                             | -   |            | -                                       |            | -                                       |            |
| Taxable Assessed Value                  | <u>\$ 10,449,430,568 <sup>(2)</sup></u>                     |            | <u>\$ 10,169,048,214 <sup>(3)</sup></u> |            | <u>\$ 10,117,079,195 <sup>(4)</sup></u> |            |

| Category                                | Taxable Appraised Value for Fiscal Year Ended September 30, |            |   |            |
|---|---|------------|---|------------|
|   | 2012  |            | 2011                                    |            |
|   | Amount  | % of Total | Amount                                  | % of Total |
| Real, Residential, Single-Family        | \$ 6,962,292,170  | 59.13%     | \$ 7,073,887,451                        | 59.69%     |
| Real, Residential, Multi-Family         | 612,681,330   | 5.20%      | 596,206,640                             | 5.03%      |
| Real, Vacant Lots/Tracts                | 200,139,945   | 1.70%      | 214,871,109                             | 1.81%      |
| Real, Acreage (Land Only)               | 72,220,788  | 0.61%      | 72,190,794                              | 0.61%      |
| Real, Farm and Ranch Improvements       | 3,321,458   | 0.03%      | 3,594,261                               | 0.03%      |
| Real, Commercial                        | 1,921,969,632   | 16.32%     | 1,976,653,896                           | 16.68%     |
| Real, Industrial                        | 167,133,084   | 1.42%      | 174,815,270                             | 1.48%      |
| Real and Tangible Personal, Utilities   | 122,206,600   | 1.04%      | 119,478,850                             | 1.01%      |
| Tangible Personal, Commercial           | 919,460,140   | 7.81%      | 869,867,360                             | 7.34%      |
| Tangible Personal, Industrial           | 763,820,240   | 6.49%      | 717,623,160                             | 6.06%      |
| Tangible Personal, Other                | 101,160   | 0.00%      | 105,060                                 | 0.00%      |
| Real Property, Inventory                | 114,692   | 0.00%      | 122,128                                 | 0.00%      |
| Special Inventory                       | 28,929,470  | 0.25%      | 31,071,560                              | 0.26%      |
| Total Appraised Value Before Exemptions | \$ 11,774,390,709   | 100.00%    | \$ 11,850,487,539                       | 100.00%    |
| Less: Total Exemptions/Reductions       | 1,581,047,409   |            | 1,421,993,669                           |            |
| Adjustments                             | -   |            | -                                       |            |
| Taxable Assessed Value                  | <u>\$ 10,193,343,300 <sup>(5)</sup></u>                     |            | <u>\$ 10,428,493,870 <sup>(6)</sup></u> |            |

NOTE: All valuations shown other than Fiscal Year 2008 are certified taxable assessed values reported by the Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

- (1) Includes Totally Exempt property as reported by Dallas Central Appraisal District.
- (2) Includes taxable incremental value of approximately \$87,323,362 that is not available for the City's general use.
- (3) Includes taxable incremental value of approximately \$79,613,585 that is not available for the City's general use.
- (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 \$69,121,790 that is not available for the City's general use.
- (6) Includes taxable incremental value of approximately \$78,423,558 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 |
|------------------------|-------------------------------------|---|---------------------------------------|---|--|------------------------------|
| 2011                   | 226,915                             | \$ 10,428,493,870 <sup>(4)</sup>          | \$ 45,958                             | \$ 227,357,475  | 2.18%  | \$ 1,002                     |
| 2012                   | 227,730                             | 10,193,343,300 <sup>(5)</sup>             | 44,761                                | 250,564,750   | 2.46%  | 1,100                        |
| 2013                   | 231,618                             | 10,117,079,195 <sup>(6)</sup>             | 43,680                                | 239,809,352   | 2.37%  | 1,035                        |
| 2014                   | 231,618                             | 10,169,048,214 <sup>(7)</sup>             | 43,904                                | 232,351,259   | 2.28%  | 1,003                        |
| 2015                   | 233,206                             | 10,449,430,568 <sup>(8)</sup>             | 44,808                                | 229,960,000 <sup>(9)</sup>                                  | 2.20% <sup>(9)</sup>                                     | 986 <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 \$78,423,558 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$69,121,790 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.

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

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

(9) Projected, subject to change. The Tax Notes, Series 2014 with final maturity on 11/1/2015; were redeemed early on 3/2/15 at par plus accrued interest.

**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   |
|------------------------|-----------|--------------|---------------------------|---------------|-----------------------|-----------------------|
| 2011                   | \$ 0.7046 | \$ 0.3940    | \$ 0.3106                 | \$ 73,103,187 | 98.82%                | 99.26%                |
| 2012                   | 0.7046    | 0.3940       | 0.3106                    | 71,331,267    | 99.00%                | 99.33%                |
| 2013                   | 0.7046    | 0.3940       | 0.3106                    | 71,284,940    | 99.05%                | 99.31%                |
| 2014                   | 0.7046    | 0.3940       | 0.3106                    | 71,107,556    | 99.25%                | 99.34%                |
| 2015                   | 0.7046    | 0.3940       | 0.3106                    | 73,963,461    | 94.31% <sup>(1)</sup> | 99.63% <sup>(1)</sup> |

(1) Partial collections through February 28, 2015.

**TABLE 5 - TEN LARGEST TAXPAYERS**

| <u>Name of Taxpayer</u>                  | <u>Nature of Property</u>     | <u>2014/2015<br/>Taxable<br/>Assessed<br/>Valuation</u> | <u>% of Total<br/>Taxable<br/>Assessed<br/>Valuation</u> |
|--|-------------------------------|---|--|
| Walmart/Sam's Club                       | Retail                        | \$ 125,014,200  | 1.20%  |
| Simon Property Group                     | Real Estate Investor          | 102,138,280   | 0.98%  |
| Plastipak Packaging Inc.                 | Manufacturer                  | 68,368,153  | 0.65%  |
| Verizon                                  | Public Utility                | 51,972,530  | 0.50%  |
| Valspar/Engineered Polymersolutions Inc. | Manufacturer                  | 47,831,927  | 0.46%  |
| Kraft Foods North America Inc.           | Warehouse and Food Processing | 46,497,245  | 0.44%  |
| Sears, Roebuck and Co.                   | Warehouse and Service Center  | 44,163,664  | 0.42%  |
| BMEF Stoneleigh LP                       | Real Estate Investor          | 43,500,000  | 0.42%  |
| US Food Service Inc.                     | Food Processing               | 41,190,562  | 0.39%  |
| Omninet Town Centre LP                   | Real Estate Investor          | 40,386,830  | 0.39%  |
|  |                               | <u>\$ 611,063,391</u>                                   | <u>5.85%</u>   |

**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<br>Year<br>Ending<br>9/30 | Outstanding Debt Service <sup>(2)</sup> |                         |                       | Less:<br>Self-<br>Supporting<br>Debt Service | Net<br>General<br>Obligation<br>Debt Service | % of<br>Principal<br>Retired |
|----------------------------------|---|-------------------------|-----------------------|--|--|------------------------------|
|                                  | Principal                               | Interest <sup>(3)</sup> | Total D/S             |  |  |                              |
| 2015                             | \$ 40,205,813                           | \$ 18,752,267           | \$ 58,958,079         | \$ 24,851,849                                | \$ 34,106,230                                |                              |
| 2016                             | 35,000,000                              | 18,914,185              | 53,914,185            | 24,662,451                                   | 29,251,733                                   |                              |
| 2017                             | 33,450,000                              | 17,142,433              | 50,592,433            | 23,194,339                                   | 27,398,094                                   |                              |
| 2018                             | 35,315,000                              | 15,713,154              | 51,028,154            | 22,459,742                                   | 28,568,413                                   |                              |
| 2019                             | 34,865,000                              | 14,191,583              | 49,056,583            | 21,202,404                                   | 27,854,178                                   | 22.75%                       |
| 2020                             | 34,570,000                              | 12,671,927              | 47,241,927            | 19,871,003                                   | 27,370,924                                   |                              |
| 2021                             | 34,480,000                              | 11,189,599              | 45,669,599            | 19,855,365                                   | 25,814,234                                   |                              |
| 2022                             | 32,780,000                              | 9,775,539               | 42,555,539            | 18,432,445                                   | 24,123,094                                   |                              |
| 2023                             | 29,880,000                              | 8,436,915               | 38,316,915            | 17,609,070                                   | 20,707,845                                   |                              |
| 2024                             | 29,755,000                              | 7,097,593               | 36,852,593            | 17,527,957                                   | 19,324,636                                   | 58.77%                       |
| 2025                             | 30,120,000                              | 5,739,077               | 35,859,077            | 17,493,315                                   | 18,365,762                                   |                              |
| 2026                             | 20,865,000                              | 4,560,879               | 25,425,879            | 16,945,877                                   | 8,480,002                                    |                              |
| 2027                             | 22,450,000                              | 3,542,118               | 25,992,118            | 16,947,178                                   | 9,044,940                                    |                              |
| 2028                             | 21,525,000                              | 2,453,947               | 23,978,947            | 16,952,394                                   | 7,026,553                                    |                              |
| 2029                             | 17,225,000                              | 1,499,213               | 18,724,213            | 16,357,313                                   | 2,366,900                                    | 86.63%                       |
| 2030                             | 16,245,000                              | 673,675                 | 16,918,675            | 14,627,194                                   | 2,291,481                                    |                              |
| 2031                             | 1,890,000                               | 241,697                 | 2,131,697             | 5,406  | 2,126,291                                    |                              |
| 2032                             | 1,840,000                               | 183,819                 | 2,023,819             | 5,244  | 2,018,575                                    |                              |
| 2033                             | 1,775,000                               | 128,394                 | 1,903,394             | 5,081  | 1,898,313                                    |                              |
| 2034                             | 1,730,000                               | 74,938                  | 1,804,938             | -  | 1,804,938                                    | 98.93%                       |
| 2035                             | 1,620,000                               | 24,300                  | 1,644,300             | -  | 1,644,300                                    | 100.00%                      |
|                                  | <u>\$ 477,585,813</u>                   | <u>\$ 153,007,248</u>   | <u>\$ 630,593,060</u> | <u>\$ 309,005,626</u>                        | <u>\$ 321,587,435</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".
- (2) The Tax Notes, Series 2014 with final maturity on 11/1/2015; were redeemed early on 3/2/2015 at par plus accrued interest.
- (3) Assumes the General Obligation Refunding Bonds, Taxable Series 2007B paid interest at 3.80% through 2/15/2015. Series 2007B was redeemed on 2/24/2015 at par plus accrued interest.

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

|   |               |                              |
|---|---------------|------------------------------|
| Debt Service Requirements, Fiscal Year Ending 9/30/2015 |               | \$ 58,958,079 <sup>(1)</sup> |
| Interest and Sinking Fund Balance on 9/30/2014          | \$7,843,714   |                              |
| Budgeted Interest and Sinking Fund Tax Collection       | 31,798,391    |                              |
| Budgeted Transfers                                      | 25,304,453    |                              |
| Estimated Investment Income                             | <u>18,467</u> | <u>\$ 64,965,025</u>         |
| Estimated Balance, Fiscal Year Ending 9/30/2015         |               | \$ 6,006,946                 |

(1) Includes self-supporting debt.

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

| Authorized Purpose                              | Date       | Principal Amount      | Amounts Heretofore    | Outstanding Commercial | Unissued              |
|---|------------|-----------------------|-----------------------|------------------------|-----------------------|
|   | Authorized | Authorized            | Issued                | Paper Notes            | Balance               |
| Street Improvements                             | 05/04/1991 | \$ 42,496,500         | \$ 42,496,500         | \$ -                   | \$ -                  |
| Park Improvements                               | 05/04/1991 | 5,144,000             | 5,144,000             | -                      | -                     |
| Public Safety Facilities                        | 05/04/1991 | 7,226,086             | 6,666,086             | 535,000                | 25,000                |
| Various Street Improvements                     | 05/03/1997 | 67,970,000            | 65,330,000            | 1,080,000              | 1,560,000             |
| Northeast Parkway Street Improvements           | 05/03/1997 | 4,240,000             | 4,240,000             | -                      | -                     |
| Drainage Improvements                           | 05/03/1997 | 10,570,000            | 10,570,000            | -                      | -                     |
| Library Improvements                            | 05/03/1997 | 5,890,000             | 5,890,000             | -                      | -                     |
| Park Improvements                               | 05/03/1997 | 12,370,000            | 10,065,000            | 1,555,000              | 750,000               |
| Public Safety Improvements                      | 05/03/1997 | 19,890,000            | 19,090,000            | -                      | 800,000               |
| Municipal Facility Improvements                 | 05/03/1997 | 1,710,000             | 1,710,000             | -                      | -                     |
| Street Improvements                             | 05/15/2004 | 113,370,000           | 26,380,494            | 15,890,000             | 71,099,506            |
| Drainage Improvements                           | 05/15/2004 | 28,000,000            | 12,850,000            | 2,575,000              | 12,575,000            |
| Park and Recreation Facilities and Improvements | 05/15/2004 | 21,680,000            | 3,745,000             | -                      | 17,935,000            |
| Library Facilities                              | 05/15/2004 | 9,400,000             | 6,695,000             | 1,895,000              | 810,000               |
| Public Safety Facilities                        | 05/15/2004 | 12,950,000            | 11,500,000            | -                      | 1,450,000             |
| Municipal Improvements                          | 05/15/2004 | 11,180,000            | 540,000               | 1,470,000              | 9,170,000             |
| Economic Development and Acquisition            | 05/15/2004 | 3,420,000             | 55,000                | -                      | 3,365,000             |
|   |            | <u>\$ 377,506,586</u> | <u>\$ 232,967,080</u> | <u>\$ 25,000,000</u>   | <u>\$ 119,539,506</u> |

**TABLE 10 - OTHER OBLIGATIONS**

As of September 30, 2014, 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 2015, the CIP includes approximately \$193 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 2015-2019 includes approximately \$649 million of anticipated capital improvement projects. The City Council adopted CIP is available on the City’s 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 (the “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. The liquidity provider for the principal portion of the 2015 Notes is Citibank, N.A.

There are no 2015 Notes are currently outstanding.

The commercial paper notes may be issued for a period not to exceed 270 days and will bear interest upon the specific terms of the commercial paper notes, but not to exceed 15% per annum. The principal on the commercial paper notes is payable from ad valorem taxes and other funds that may be provided under the revolving credit agreement and from the proceeds of the newly-issued commercial paper notes, and from general obligation bonds issued to refund commercial paper notes. The interest is payable from the receipts of ad valorem taxes. The commercial paper 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 2014 <sup>(1)</sup> | \$ 25,311,733        | \$ 8,977,265         | \$ 4,970,512        | \$ 84,413                   | \$ 7,728          | \$ 2,666,814                            | \$ -               | \$ 325,431        | \$ 1,457,793      |
| Revenues FY 2014 <sup>(2)</sup>                               | 378,621,613          | 94,387,130           | 12,037,432          | 17,668,173                  | 8,045,904         | 22,695,212                              | 716,084            | 3,823,297         | 329,512           |
| Operating Expenses FY 2014 <sup>(3)</sup>                     | (312,954,736)        | (58,667,658)         | (10,207,798)        | (16,081,889)                | (7,698,600)       | (14,270,533)                            | (802,291)          | (3,820,251)       | (1,574,565)       |
| Net Available for Debt Service                                | <u>\$ 90,978,610</u> | <u>\$ 44,696,737</u> | <u>\$ 6,800,146</u> | <u>\$ 1,670,697</u>         | <u>\$ 355,032</u> | <u>\$ 11,091,493</u>                    | <u>\$ (86,207)</u> | <u>\$ 328,477</u> | <u>\$ 212,740</u> |
| Revenue Bonds Debt Service FY 2015                            | \$ 15,130,446        | \$ 20,522,013        | \$ -                | \$ -                        | \$ -              | \$ -                                    | \$ -               | \$ -              | \$ -              |
| Net Available for Self-Supporting D/S                         | <u>\$ 75,848,164</u> | <u>\$ 24,174,724</u> | <u>\$ 6,800,146</u> | <u>\$ 1,670,697</u>         | <u>\$ 355,032</u> | <u>\$ 11,091,493</u>                    | <u>\$ (86,207)</u> | <u>\$ 328,477</u> | <u>\$ 212,740</u> |
| Self-Supported GO Debt Service FY 2015                        | \$ 14,182,382        | \$ 5,233,956         | \$ 2,185,315        | \$ 1,784,422                | \$ 123,169        | \$ 1,141,756                            | \$ 6,600           | \$ 18,000         | \$ 176,250        |

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

(2) Includes investment income and gains on sale of capital assets. Excludes other contributions.

(3) Excludes 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 11/0% of covered payroll for the three months in calendar year 2013, and 11.40% for the nine months in calendar year 2014. 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 2014 was \$152,117,129 and the City's contributions were based on a payroll of \$128,321,066. Both the City and the covered employees made the required contributions, amounting to \$14,733,134 for the City and \$8,982,474 (7 %) for the employees.

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

|   | Fiscal Year Ended September 30, |                       |                       |                       |                       |
|---|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2014                            | 2013                  | 2012                  | 2011                  | 2010                  |
| <b>Revenues:</b>  |                                 |                       |                       |                       |                       |
| Taxes   | \$ 64,744,909                   | \$ 63,253,894         | \$ 62,808,891         | \$ 62,379,558         | \$ 63,184,478         |
| Franchise Fees  | 9,091,491                       | 8,646,942             | 7,887,388             | 8,255,818             | 8,352,056             |
| Charges for Services  | 20,791,739                      | 20,239,605            | 20,411,968            | 18,102,510            | 16,929,426            |
| Licenses and Permits  | 3,781,703                       | 3,393,137             | 3,751,589             | 2,893,000             | 3,085,185             |
| Interest Revenue  | 259,387                         | 213,732               | 240,654               | 211,524               | 207,698               |
| Intergovernmental   | 692,291                         | 1,190,211             | 1,073,364             | 725,320               | 818,723               |
| Intragovernmental   | 8,002,858                       | 7,973,376             | 8,010,474             | 7,871,534             | 7,430,975             |
| Fines and Forfeitures   | 6,730,988                       | 6,955,299             | 6,110,138             | 5,097,867             | 5,627,058             |
| Rents and Concessions   | 833,456                         | 804,298               | 788,504               | 763,023               | 947,809               |
| <b>Total Revenues</b>   | <b>\$ 114,928,822</b>           | <b>\$ 112,670,494</b> | <b>\$ 111,082,970</b> | <b>\$ 106,300,154</b> | <b>\$ 106,583,408</b> |
| <b>Expenditures:</b>  |                                 |                       |                       |                       |                       |
| General Government  | \$ 9,763,970                    | \$ 9,679,317          | \$ 9,083,662          | \$ 9,137,993          | \$ 9,691,138          |
| Public Safety   | 79,341,146                      | 78,338,393            | 77,639,802            | 77,463,425            | 74,890,153            |
| Public Works  | 19,617,640                      | 17,391,246            | 18,457,911            | 19,151,977            | 8,709,794             |
| Culture and Recreation  | 13,371,187                      | 13,218,113            | 12,794,896            | 13,245,845            | 12,641,150            |
| Public Health   | 3,606,072                       | 3,579,737             | 3,364,592             | 3,174,073             | 3,189,738             |
| Non-departmental  | 20,992,758                      | 21,243,401            | 19,086,070            | 18,695,922            | 17,315,649            |
| <b>Total Expenditures</b>   | <b>\$ 146,692,773</b>           | <b>\$ 143,450,207</b> | <b>\$ 140,426,933</b> | <b>\$ 140,869,235</b> | <b>\$ 126,437,622</b> |
| Excess (deficiency) of<br>Revenues Over<br>Expenditures                             | \$ (31,763,951)                 | \$ (30,779,713)       | \$ (29,343,963)       | \$ (34,569,081)       | \$ (19,854,214)       |
| <b>Other Financing Sources<br/>(Uses):</b>  |                                 |                       |                       |                       |                       |
| Sale of Capital Assets  | \$ 137,275                      | \$ 361,687            | \$ 117,097            | \$ 25,747             | \$ -                  |
| Operating Transfers - Net   | 33,092,475                      | 32,618,375            | 31,915,893            | 33,713,304            | 21,183,803            |
| Excess (Deficiency) of<br>Revenues Over<br>Expenditures and<br>Other Sources (Uses) | \$ 1,465,799                    | \$ 2,200,349          | \$ 2,689,027          | \$ (830,030)          | \$ 1,329,589          |
| Beginning Fund Balance  | 24,263,870                      | 22,063,521            | 19,374,494            | 20,204,524            | 18,874,935            |
| Ending Fund Balance   | \$ 25,729,669                   | \$ 24,263,870         | \$ 22,063,521         | \$ 19,374,494         | \$ 20,204,524         |

**TABLE 12A – CHANGES IN NET ASSETS**

|  | For Fiscal Year Ended September 30, |                            |                       |                       |                       |
|--|-------------------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
|  | 2014                                | 2013                       | 2012                  | 2011                  | 2010                  |
| <b>Revenues:</b>                             |                                     |                            |                       |                       |                       |
| <b>Program Revenues:</b>                     |                                     |                            |                       |                       |                       |
| Charges for Services                         | \$ 534,069,496                      | \$ 454,125,594             | \$ 373,984,772        | \$ 379,070,149        | \$ 367,354,020        |
| Operation Grants and Contributions           | 14,290,332                          | 17,203,324                 | 16,885,088            | 21,723,466            | 21,420,963            |
| Capital Grants and Contributions             | 1,513,276                           | 3,573,169                  | 2,064,844             | 3,862,403             | 1,853,467             |
| <b>General Revenues:</b>                     |                                     |                            |                       |                       |                       |
| Property Taxes                               | 71,507,322                          | 71,160,273                 | 71,712,486            | 72,960,307            | 75,675,105            |
| Sales Taxes                                  | 24,667,765                          | 23,537,389                 | 22,684,164            | 21,609,756            | 21,648,693            |
| Other Taxes                                  | 10,421,218                          | 9,833,804                  | 9,003,805             | 9,306,683             | 9,277,552             |
| Unrestricted Interest Earnings               | 2,161,264                           | 308,938                    | 2,351,518             | 1,557,474             | 2,157,756             |
| Special Item - Impairment of Electric Assets | -                                   | -                          | -                     | -                     | (1,529,932)           |
| Miscellaneous                                | 2,207,770                           | 1,760,464                  | 2,178,556             | 1,723,022             | 1,204,800             |
| <b>Total Revenues</b>                        | <b>\$ 660,838,443</b>               | <b>\$ 581,502,955</b>      | <b>\$ 500,865,233</b> | <b>\$ 511,813,260</b> | <b>\$ 499,062,424</b> |
| <b>Expenses:</b>                             |                                     |                            |                       |                       |                       |
| General Government                           | \$ 27,639,946                       | \$ 29,243,108              | \$ 29,569,285         | \$ 29,640,148         | \$ 32,846,193         |
| Public Safety                                | 91,105,170                          | 92,128,110                 | 90,755,164            | 90,653,595            | 86,168,466            |
| Public Works                                 | 41,893,889                          | 40,870,496                 | 41,666,670            | 42,540,513            | 41,358,430            |
| Culture and Recreation                       | 20,820,273                          | 21,442,173                 | 20,805,012            | 21,566,920            | 19,505,793            |
| Public Health                                | 4,105,273                           | 4,322,827                  | 4,018,652             | 3,881,311             | 3,604,317             |
| Interest and Fiscal Charges                  | 9,696,538                           | 11,094,537                 | 12,038,048            | 11,968,097            | 12,713,773            |
| Electric                                     | 344,969,100                         | 271,815,312                | 166,360,005           | 164,547,930           | 191,187,490           |
| Water  | 46,952,415                          | 43,758,542                 | 40,702,500            | 38,602,207            | 34,274,026            |
| Sewer  | 36,080,645                          | 36,288,797                 | 36,348,765            | 34,307,982            | 33,643,084            |
| Golf   | 4,738,094                           | 4,889,818                  | 4,922,780             | 4,766,551             | 3,636,869             |
| Heliport                                     | 5,329                               | 5,365                      | 85,480                | 30,292                | 39,590                |
| Storm Water Management                       | 3,996,717                           | 3,926,814                  | 3,519,113             | 3,669,785             | 3,598,351             |
| Parks Performance                            | 1,031,470                           | 964,590                    | 1,022,947             | 965,305               | 778,409               |
| Sanitation                                   | 17,415,020                          | 16,965,951                 | 16,972,881            | 16,045,778            | 15,943,590            |
| <b>Total Expenses</b>                        | <b>\$ 650,449,879</b>               | <b>\$ 577,716,440</b>      | <b>\$ 468,787,302</b> | <b>\$ 463,186,414</b> | <b>\$ 479,298,381</b> |
| Increase in Net Position Before Transfers    | \$ 10,388,564                       | \$ 3,786,515               | \$ 32,077,931         | \$ 48,626,846         | \$ 19,764,043         |
| Transfers                                    | -                                   | -                          | -                     | -                     | -                     |
| <b>Increase in Net Position</b>              | <b>10,388,564</b>                   | <b>3,786,515</b>           | <b>32,077,931</b>     | <b>48,626,846</b>     | <b>19,764,043</b>     |
| Net Position - Beginning                     | 799,208,351 <sup>(2)</sup>          | 803,630,523 <sup>(1)</sup> | 773,365,841           | 724,738,995           | 704,974,952           |
| <b>Net Position - Ending</b>                 | <b>\$ 809,596,915</b>               | <b>\$ 807,417,038</b>      | <b>\$ 805,443,772</b> | <b>\$ 773,365,841</b> | <b>\$ 724,738,995</b> |

(1) Restated

(2) Cumulative effect of change in accounting principle.

**TABLE 13 - MUNICIPAL SALES TAX HISTORY**

| Fiscal<br>Year<br>Ended<br>9/30 | Total<br>Collected <sup>(1)</sup> | % of<br>Ad Valorem<br>Tax Levy | Equivalent<br>of<br>Ad Valorem<br>Tax Rate | Per<br>Capita <sup>(2)</sup> |
|---------------------------------|-----------------------------------|--------------------------------|--|------------------------------|
| 2010                            | \$ 21,648,653                     | 28.61%                         | \$ 0.2016                                  | \$ 95.42                     |
| 2011                            | 21,609,756                        | 29.56%                         | 0.2072                                     | 95.23                        |
| 2012                            | 22,684,164                        | 31.80%                         | 0.2225                                     | 99.61                        |
| 2013                            | 23,411,053                        | 32.84%                         | 0.2314                                     | 101.08                       |
| 2014                            | 24,613,106                        | 34.35%                         | 0.2420                                     | 106.27                       |
| 2015                            | 10,719,425 <sup>(3)</sup>         | 14.49%                         | 0.1026                                     | 45.97                        |

(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 2015.

**TABLE 14 - CURRENT INVESTMENTS**

As of February 28, 2015 the following percentages of the City's investable funds were invested in the following categories of investments:

| Type of Investments              | Book Value            |                |
|----------------------------------|-----------------------|----------------|
|                                  | Amount                | Percent        |
| 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> |

