# 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):**

| | | |
|---|---|---|
| **$** | **29,070,000** | **Water and Sewer System Revenue Bonds, Series 2007** |
| **$** | **39,900,000** | **Water and Sewer System Revenue Bonds, Series 2008** |
| **$** | **18,090,000** | **Water and Sewer System Revenue Bonds, Series 2009** |
| **$** | **21,270,000** | **Water & Sewer System Revenue Bonds Series 2010** |
| **$** | **19,205,000** | **Water & Sewer System Revenue Bonds, Series 2011** |
| **$** | **30,150,000** | **Water & Sewer System Revenue Refunding Bonds, S2011A** |
| **$** | **8,415,000** | **Water and Sewer System Revenue Bonds, Series 2012** |
| **$** | **29,925,000** | **Water and Sewer System Revenue Refunding Improvement Bonds Series 2013** |
| **$** | **38,175,000** | **Water and Sewer System Revenue Refunding and Improvement Bonds, New Series 2014** |

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

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

X 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

**Water and Sewer System Revenue Bonds, Series 2007**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 1,330,000 | 366168DS8 |
| 03/01/17 | 1,405,000 | 366168DT6 |
| 03/01/18 | 1,470,000 | 366168DU3 |
| 03/01/19 | 1,550,000 | 366168DV1 |
| 03/01/20 | 1,630,000 | 366168DW9 |
| 03/01/21 | 1,715,000 | 366168DX7 |
| 03/01/22 | 1,800,000 | 366168DY5 |
| 03/01/27 | 10,355,000 | 366168DZ2 |
| | $ 21,255,000 | |

**Water and Sewer System Revenue Bonds, Series 2008**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 1,830,000 | 366168EH1 |
| 03/01/17 | 1,920,000 | 366168EJ7 |
| 03/01/18 | 2,020,000 | 366168EK4 |
| 03/01/19 | 2,125,000 | 366168EL2 |
| 03/01/20 | 2,235,000 | 366168EM0 |
| 03/01/21 | 2,350,000 | 366168EN8 |
| 03/01/22 | 2,465,000 | 366168EP3 |
| 03/01/23 | 2,580,000 | 366168EQ1 |
| 03/01/24 | 2,220,000 | 366168ER9 |
| 03/01/25 | 2,330,000 | 366168ES7 |
| 03/01/26 | 2,445,000 | 366168ET5 |
| 03/01/27 | 2,565,000 | 366168EU2 |
| 03/01/28 | 2,695,000 | 366168EV0 |
| | $ 29,780,000 | |

**Water and Sewer System Revenue Bonds, Series 2009**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 800,000 | 366168fc1 |
| 03/01/17 | 835,000 | 366168fd9 |
| 03/01/18 | 865,000 | 366168fe7 |
| 03/01/19 | 895,000 | 366168ff4 |
| 03/01/20 | 930,000 | 366168fg2 |
| 03/01/21 | 970,000 | 366168fh0 |
| 03/01/22 | 1,005,000 | 366168fj6 |
| 03/01/23 | 1,050,000 | 366168fk3 |
| 03/01/24 | 1,090,000 | 366168fl1 |
| 03/01/25 | 1,000,000 | 366168fm9 |
| 03/01/26 | 1,045,000 | 366168fn7 |
| 03/01/27 | 1,095,000 | 366168fp2 |
| 03/01/28 | 1,145,000 | 366168fq0 |
| 03/01/29 | 1,200,000 | 366168fr8 |
| | $ 13,925,000 | |

**Water & Sewer System Revenue Bonds Series 2010**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 855,000 | 366168FX5 |
| 03/01/17 | 885,000 | 366168FY3 |
| 03/01/18 | 920,000 | 366168FZ0 |
| 03/01/19 | 965,000 | 366168GA4 |
| 03/01/20 | 1,000,000 | 366168GB2 |
| 03/01/22 | 2,150,000 | 366168GD8 |
| 03/01/24 | 2,375,000 | 366168GF3 |
| 03/01/26 | 2,585,000 | 366168GH9 |
| 03/01/28 | 2,815,000 | 366168GK2 |
| 03/01/30 | 3,115,000 | 366168GM8 |
| | $ 17,665,000 | |

**Water & Sewer System Revenue Bonds, Series 2011**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 340,000 | 366168 GR7 |
| 03/01/17 | 930,000 | 366168 GS5 |
| 03/01/18 | 965,000 | 366168 GT3 |
| 03/01/19 | 1,000,000 | 366168 GU0 |
| 03/01/20 | 1,045,000 | 366168 GV8 |
| 03/01/21 | 1,085,000 | 366168 GW6 |
| 03/01/22 | 1,135,000 | 366168 GX4 |
| 03/01/23 | 1,185,000 | 366168 GY2 |
| 03/01/24 | 1,245,000 | 366168 GZ9 |
| 03/01/25 | 1,305,000 | 366168 HA3 |
| 03/01/26 | 1,380,000 | 366168 HB1 |
| 03/01/27 | 1,290,000 | 366168 HC9 |
| 03/01/28 | 1,355,000 | 366168 HD7 |
| 03/01/29 | 1,425,000 | 366168 HE5 |
| 03/01/30 | 1,500,000 | 366168 HF2 |
| 03/01/31 | 1,575,000 | 366168 HG0 |
| | $ 18,760,000 | |

**Water & Sewer System Revenue Refunding Bonds, S2011A**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 2,320,000 | 366168 HL9 |
| 03/01/17 | 2,410,000 | 366168 HM7 |
| 03/01/18 | 2,505,000 | 366168 HN5 |
| 03/01/19 | 2,605,000 | 366168 HP0 |
| 03/01/20 | 2,710,000 | 366168 HQ8 |
| 03/01/21 | 2,830,000 | 366168 HR6 |
| 03/01/22 | 2,980,000 | 366168 HS4 |
| 03/01/23 | 3,120,000 | 366168 HT2 |
| 03/01/24 | 2,200,000 | 366168 HU9 |
| | $ 23,680,000 | |

**Water and Sewer System Revenue Bonds, Series 2012**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 360,000 | 366168HY1 |
| 03/01/17 | 365,000 | 366168HZ8 |
| 03/01/18 | 375,000 | 366168JA1 |
| 03/01/19 | 390,000 | 366168JB9 |
| 03/01/20 | 405,000 | 366168JC7 |
| 03/01/21 | 425,000 | 366168JD5 |
| 03/01/22 | 435,000 | 366168JE3 |
| 03/01/23 | 455,000 | 366168JF0 |
| 03/01/24 | 475,000 | 366168JG8 |
| 03/01/25 | 490,000 | 366168JH6 |
| 03/01/26 | 510,000 | 366168JJ2 |
| 03/01/27 | 520,000 | 366168JK9 |
| 03/01/28 | 415,000 | 366168JL7 |
| 03/01/29 | 430,000 | 366168JM5 |
| 03/01/30 | 445,000 | 366168JN3 |
| 03/01/31 | 460,000 | 366168JP8 |
| 03/01/32 | 475,000 | 366168JQ6 |
| | $ 7,430,000 | |

**Water and Sewer System Revenue Refunding Improvement Bonds Series 2013**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 2,340,000 | 366168JT0 |
| 03/01/17 | 2,295,000 | 366168JU7 |
| 03/01/18 | 2,340,000 | 366168JV5 |
| 03/01/19 | 2,385,000 | 366168JW3 |
| 03/01/20 | 2,430,000 | 366168JX1 |
| 03/01/21 | 2,455,000 | 366168JY9 |
| 03/01/22 | 2,475,000 | 366168JZ6 |
| 03/01/23 | 2,550,000 | 366168KA9 |
| 03/01/24 | 2,625,000 | 366168KB7 |
| 03/01/25 | 2,705,000 | 366168KC5 |
| 03/01/26 | 1,265,000 | 366168KD3 |
| 03/01/27 | 430,000 | 366168KE1 |
| 03/01/30 | 1,260,000 | 366168KH4 |
| 03/01/33 | 1,320,000 | 366168KL5 |
| | $ 28,875,000 | |

**Water and Sewer System Revenue Refunding and Improvement Bonds, New Series 2014**

| Date | Principal | CUSIP |
|---|---|---|
| 03/01/16 | $ 2,315,000 | 366168KN1 |
| 03/01/17 | 2,430,000 | 366168KP6 |
| 03/01/18 | 2,550,000 | 366168KQ4 |
| 03/01/19 | 2,680,000 | 366168KR2 |
| 03/01/20 | 2,820,000 | 366168KS0 |
| 03/01/21 | 2,965,000 | 366168KT8 |
| 03/01/22 | 3,120,000 | 366168KU5 |
| 03/01/23 | 3,280,000 | 366168KV3 |
| 03/01/24 | 1,750,000 | 366168LH3 |
| 03/01/24 | 1,675,000 | 366168KW1 |
| 03/01/25 | 845,000 | 366168KX9 |
| 03/01/26 | 880,000 | 366168KY7 |
| 03/01/27 | 920,000 | 366168KZ4 |
| 03/01/28 | 970,000 | 366168LA8 |
| 03/01/29 | 1,020,000 | 366168LB6 |
| 03/01/30 | 1,030,000 | 366168LC4 |
| 03/01/31 | 1,080,000 | 366168LD2 |
| 03/01/32 | 1,140,000 | 366168LE0 |
| 03/01/33 | 1,195,000 | 366168LF7 |
| 03/01/34 | 1,255,000 | 366168LG5 |
| | $ 35,920,000 | |

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

# CITY OF GARLAND, TEXAS

## WATER & SEWER REVENUE 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

David Schuler
Director of Financial Services

Approved for Submission:

03/27/2015

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 WATER & SEWER REVENUE DEBT REPORT

## TABLE 1 - HISTORICAL WATER CONSUMPTION OF THE CITY (GALLONS) (1)

| Year Ended 9/30 | Average Daily Usage (MGD) | Peak Day (MGD) | Peak Month (MGD) | Total Pumped In (MG) | Operating Revenue |
|---|---|---|---|---|---|
| 2010 | 27.824 | 66.047 | 1,836.5 | 12,301.3 | $ 40,877,966 |
| 2011 | 34.812 | 78.939 | 1,839.0 | 12,303.3 | 50,806,723 |
| 2012 | 29.498 | 66.769 | 1,291.0 | 10,796.5 | 46,821,614 |
| 2013 | 30.058 | 57.600 | 1,273.0 | 10,971.5 | 50,522,776 |
| 2014 | 26.503 | 38.862 | 939.9 | 9,229.5 | 49,868,668 |

(1) Source: City Staff.

## TABLE 2 - TEN LARGEST WATER CUSTOMERS OF THE CITY (BASED ON GALLONS CONSUMED)

| Customer | Type of Industry | FYE 2014 Water Usage | % of Total Water Usage |
|---|---|---|---|
| Daisy Brand | Food processor | 189,126,700 | 2.10% |
| Garland ISD | School district | 150,958,006 | 1.68% |
| Kraft Food Co | Food processor | 90,571,000 | 1.01% |
| Praxair (Union Carbide) | Plastic manufacturing | 84,358,600 | 0.94% |
| Plastipak | Plastic manufacturing | 56,615,700 | 0.63% |
| Kingsley Tools | Manufacturing | 53,689,500 | 0.60% |
| Firewheel Town Ctr | Retail shopping mall | 39,638,900 | 0.44% |
| Economics Lab | Chemicals manufacturing | 36,062,200 | 0.40% |
| Baylor Medical Ctr | Hospital | 35,828,100 | 0.40% |
| IFS Industries | Plastic Manufacturing | 33,362,100 | 0.37% |
| | | 770,210,806 | 8.55% |

## TABLE 3 - MONTHLY WATER RATES OF THE CITY (EFFECTIVE OCTOBER 1, 2014)

| | | |
|---|---|---|
| Residential volume charge: | $3.65 per 1,000 gallons for first 3,000 gallons | |
| | $4.63 per 1,000 gallons for next 12,000 gallons | |
| | $7.39 per 1,000 gallons for over 15,000 gallons | |
| Commercial and Industrial volume charge: | $4.84 per 1,000 gallons | |
| Monthly customer charge for residential, commerical and industrial customers, based on meter size: | 5/8 inch meter | $13.80 |
| | 3/4 inch meter | $17.95 |
| | 1 inch meter | $19.00 |
| | 1 1/2 inch meter | $21.00 |
| | 2 inch meter | $27.80 |
| | 3 inch meter | $72.55 |
| | 4 inch meter | $89.85 |
| | 6 inch meter | $128.40 |
| | 8 inch meter | $173.20 |

## TABLE 4 - WASTEWATER USAGE OF THE CITY (GALLONS)

| Fiscal Year Ended 9/30 | Average Daily Flow (MGD) | Maximum Daily Flow (MGD) | Total Pumped in (MG) |
|---|---|---|---|
| 2010 | 40.90 | 104.00 | 14,932,000 |
| 2011 | 34.42 | 64.00 | 12,565,000 |
| 2012 | 33.90 | 110.29 | 12,410,000 |
| 2013 | 34.08 | 68.17 | 11,269,000 |
| 2014 | 31.70 | 58.72 | 11,569,000 |

## TABLE 5 - TEN LARGEST WASTEWATER CUSTOMERS OF THE CITY

| Customer | Type of Industry | FYE 2014 Wastewater Usage | % of Total Wastewater Usage |
|---|---|---|---|
| Daisy Brand | Food Processor | 149,939,360 | 1.53% |
| GISD | School District | 67,491,040 | 0.69% |
| Kraft Food Co | Food Processor | 51,103,000 | 0.52% |
| Kingsley Tools | Manufacturing | 42,951,600 | 0.44% |
| EcoLab | Manufacturing | 30,421,000 | 0.31% |
| IFS Industries | Plastic Manufacturing | 26,689,680 | 0.27% |
| Baylor Medical Ctr | Hospital | 24,142,400 | 0.25% |
| Raytheon | Electronics Manufacturing | 23,070,880 | 0.23% |
| Firewheel Town Center | Retail Shopping Mall | 22,201,360 | 0.23% |
| Nu Zinc | Plating Company | 12,206,400 | 0.12% |
| | | 450,216,720 | 4.58% |

## TABLE 6 - MONTHLY WASTEWATER RATES OF THE CITY (EFFECTIVE OCTOBER 1, 2014)

| Single-Family Residential User | |
|---|---|
| Customer Charge | $6.20 |
| Volume Charge | $4.50 per 1,000 gallons |

| Duplex Dwelling Residential User | |
|---|---|
| Customer Charge | $6.20 |
| Volume Charge | $4.50 per 1,000 gallons |

| Apartment Dwelling Residential User | |
|---|---|
| Customer Charge | $6.20 |
| Volume Charge | $4.50 per 1,000 gallons |

| General Commercial-Industrial User | |
|---|---|
| Customer Charge | $6.20 |
| Volume Charge | $4.66 per 1,000 gallons |

## TABLE 7 - WATER AND SEWER SYSTEM REVENUE DEBT SERVICE REQUIREMENTS

| Fiscal Year Ending 9/30 | Outstanding Prior Lien Debt Service | | | Outstanding New Series Debt Service | | | Total W&S System Revenue Debt Service | % of Principal Retired |
|---|---|---|---|---|---|---|---|---|
| | Principal | Interest | Total D/S | Principal | Interest | Total D/S | | |
| 2015 | $ 9,515,000 | $ 6,998,013 | $ 16,513,013 | $ 2,255,000 | $ 1,754,000 | $ 4,009,000 | $ 20,522,013 | |
| 2016 | 10,175,000 | 6,618,169 | 16,793,169 | 2,315,000 | 1,685,150 | 4,000,150 | 20,793,319 | |
| 2017 | 11,045,000 | 6,226,500 | 17,271,500 | 2,430,000 | 1,578,100 | 4,008,100 | 21,279,600 | |
| 2018 | 11,460,000 | 5,802,019 | 17,262,019 | 2,550,000 | 1,453,600 | 4,003,600 | 21,265,619 | |
| 2019 | 11,915,000 | 5,350,019 | 17,265,019 | 2,680,000 | 1,322,850 | 4,002,850 | 21,267,869 | 31.73% |
| 2020 | 12,385,000 | 4,875,588 | 17,260,588 | 2,820,000 | 1,185,350 | 4,005,350 | 21,265,938 | |
| 2021 | 12,875,000 | 4,347,938 | 17,222,938 | 2,965,000 | 1,040,725 | 4,005,725 | 21,228,663 | |
| 2022 | 13,400,000 | 3,770,259 | 17,170,259 | 3,120,000 | 888,600 | 4,008,600 | 21,178,859 | |
| 2023 | 13,985,000 | 3,168,200 | 17,153,200 | 3,280,000 | 728,600 | 4,008,600 | 21,161,800 | |
| 2024 | 13,055,000 | 2,575,331 | 15,630,331 | 3,425,000 | 574,100 | 3,999,100 | 19,629,431 | 70.63% |
| 2025 | 11,175,000 | 2,053,094 | 13,228,094 | 845,000 | 484,700 | 1,329,700 | 14,557,794 | |
| 2026 | 10,110,000 | 1,590,488 | 11,700,488 | 880,000 | 448,000 | 1,328,000 | 13,028,488 | |
| 2027 | 9,535,000 | 1,146,663 | 10,681,663 | 920,000 | 406,350 | 1,326,350 | 12,008,013 | |
| 2028 | 7,495,000 | 748,350 | 8,243,350 | 970,000 | 360,250 | 1,330,250 | 9,573,600 | |
| 2029 | 4,975,000 | 454,319 | 5,429,319 | 1,020,000 | 310,500 | 1,330,500 | 6,759,819 | 93.55% |
| 2030 | 3,955,000 | 247,078 | 4,202,078 | 1,030,000 | 259,250 | 1,289,250 | 5,491,328 | |
| 2031 | 2,460,000 | 101,141 | 2,561,141 | 1,080,000 | 206,500 | 1,286,500 | 3,847,641 | |
| 2032 | 915,000 | 31,094 | 946,094 | 1,140,000 | 151,000 | 1,291,000 | 2,237,094 | |
| 2033 | 455,000 | 7,678 | 462,678 | 1,195,000 | 92,625 | 1,287,625 | 1,750,303 | |
| 2034 | - | - | - | 1,255,000 | 31,375 | 1,286,375 | 1,286,375 | 100.00% |
| | $ 170,885,000 | $ 56,111,938 | $ 226,996,938 | $ 38,175,000 | $ 14,961,625 | $ 53,136,625 | $ 280,133,563 | |

## TABLE 8 - AUTHORIZED BUT UNISSUED REVENUE BONDS

| Purpose | Balance at 1-Oct | Amount Previously Issued | Unissued Balance | |
|---|---|---|---|---|
| Water | $ 1,000 | $ - | $ 1,000 | (1) |
| Sewer | 175,000 | - | 175,000 | (1) |

(1) These revenue bonds were authorized at an election held August 22, 1981, with regard to Sewer improvements and October 13, 1984, with regard to the Water and Sewer improvements. Due to the age of these authorizations, the City does not expect to issue the authorized bonds.

## TABLE 9 - CONDENSED STATEMENT OF OPERATIONS

| | Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| Operating Revenues | 2014 | 2013 | 2012 | 2011 | 2010 |
| Charges for Services | $ 92,997,444 | $ 92,008,773 | $ 88,698,885 | $ 92,282,581 | $ 81,005,182 |
| Other | 1,156,736 | 625,773 | 360,087 | 540,520 | 320,434 |
| Total Operating Revenues | $ 94,154,180 | $ 92,634,546 | $ 89,058,972 | $ 92,823,101 | $ 81,325,616 |
| Operating Expenses: | | | | | |
| Salaries and Wages | $ 11,662,024 | $ 11,349,335 | $ 11,013,271 | $ 11,239,054 | $ 10,734,515 |
| Water Purchases (1) | 24,066,289 | 22,431,264 | 19,890,333 | 18,669,727 | 16,295,908 |
| Maintenance, Repairs and Supplies | 13,043,559 | 13,086,498 | 13,839,012 | 10,983,692 | 11,116,358 |
| Insurance and Other Expenses | 1,074,845 | 703,604 | 839,809 | 586,542 | 579,534 |
| Insurance Claims Payable | 77,960 | 288,573 | - | 165,414 | 190,543 |
| General and Administrative | 9,317,675 | 8,782,971 | 7,821,863 | 8,079,677 | 7,778,374 |
| Capitalized General and Administrative | (692,849) | (842,340) | (903,851) | (568,140) | (692,903) |
| Total | $ 58,549,503 | $ 55,799,905 | $ 52,500,437 | $ 49,155,966 | $ 46,002,329 |
| Net Available for Debt Service | $ 35,604,677 | $ 36,834,641 | $ 36,558,535 | $ 43,667,135 | $ 35,323,287 |
| Debt Service Requirements | $ 19,572,410 | $ 18,996,387 | $ 18,542,872 | $ 18,027,637 | $ 16,432,404 |
| Debt Service Coverage | 1.82x | 1.94x | 1.97x | 2.42x | 2.15x |
| Water Customers | 68,533 | 68,358 | 69,913 | 67,512 | 67,317 |
| Wastewater Customers | 66,226 | 66,103 | 67,618 | 65,094 | 64,931 |

(1) Represents payment to the North Texas Municipal Water District under the contract for the purchase of potable water.

## TABLE 10 - COVERAGE AND FUND BALANCES

| | | |
|---|---|---|
| Aggregate Average Annual Principal and Interest Requiremets, 2015-2034 | $ | 14,006,678 |
| Coverage of Average Annual Requirements by 2014 Net Income | | 2.54x |
| Aggregate Maximum Principal and Interest Requirements, 2017 | $ | 21,279,600 |
| Coverage of Maximum Requirements by 2014 Net Income | | 1.67x |
| Prior Lien Water and Sewer System Revenue Bonds Outstanding as of 3/15/2015 | $ | 161,370,000 |
| New Series Water and Sewer System Revenue Bonds Outstanding as of 3/15/2015 | | 35,920,000 |
| Total Water and Sewer System Revenue Bonds Outstanding | $ | 197,290,000 |
| Prior Lien Bonds Debt Service Reserve Fund Cash Balance, 3/15/2015 | $ | 5,046,446 (1) |

(1) Unaudited. The debt service reserve fund cash balance is to provide additional security for the System's Series 2009, Series 2010, Series 2011, Series 2011A, Series 2012 and Series 2013. All other Series' reserve funds are funded by surety policies.

## TABLE 11 - VALUE OF THE SYSTEM

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Water and Sewer System | $ 711,773,029 | $ 670,141,017 | $ 639,052,682 | $ 621,750,898 | $ 596,373,207 |
| Land | 4,146,772 | 3,830,237 | 3,830,237 | 3,830,237 | 3,746,911 |
| Total Value | $ 715,919,801 | $ 673,971,254 | $ 642,882,919 | $ 625,581,135 | $ 600,120,118 |
| Less: Accumulated Depreciation | $ 308,511,939 | $ 293,018,370 | $ 274,757,208 | $ 257,755,295 | $ 241,100,477 |
| | $ 407,407,862 | $ 380,952,884 | $ 368,125,711 | $ 367,825,840 | $ 359,019,641 |
| Plus: Construction in Progress | 9,967,184 | 32,094,679 | 31,918,058 | 30,535,858 | 32,310,046 |
| Net Property, Plant and Equipment | $ 417,375,046 | $ 413,047,563 | $ 400,043,769 | $ 398,361,698 | $ 391,329,687 |

## TABLE 12 - CITY'S EQUITY IN SYSTEM

| | For Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Net Property, Plant and Equipment | $ 417,375,046 | $ 413,047,563 | $ 400,043,769 | $ 398,361,698 | $ 391,329,687 |
| Cash and Investments | 67,331,204 | 66,161,279 | 80,966,049 | 82,432,669 | 70,981,159 |
| Other Assets | 10,153,672 | 11,459,765 | 11,003,404 | 11,742,118 | 10,017,303 |
| Total Assets | $ 494,859,922 | $ 490,668,607 | $ 492,013,222 | $ 492,536,485 | $ 472,328,149 |
| Revenue Bonds Payable | $ 221,205,214 | $ 213,384,623 | $ 216,660,033 | $ 218,232,765 | $ 198,058,880 |
| General Obligation Bonds Payable | 23,614,738 | 26,921,226 | 30,402,803 | 32,056,680 | 29,056,402 |
| Certificates of Obligation Payable | - | - | - | 1,630,000 | 4,746,380 |
| Unamortized Bond Issue Cost | - | (2,871,696) | (3,142,561) | (3,334,506) | - |
| Other Liabilities | 8,826,780 | 8,977,292 | 7,553,479 | 6,650,353 | 5,444,661 |
| Total Liabilities | $ 253,646,732 | $ 246,411,445 | $ 251,473,754 | $ 255,235,292 | $ 237,306,323 |
| City's Equity in System | $ 241,213,190 | $ 244,257,162 | $ 240,539,468 | $ 237,301,193 | $ 235,021,826 |
| Percent Equity in System | 48.74% | 49.78% | 48.89% | 48.18% | 49.76% |

## TABLE 13 - 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% |
| | $ 432,857,569 | 100.00% |