

Texas Municipal Reports

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Garland, City of (Waterworks & Sewer System)

Dallas, Collin Counties

Last Revised 10/31/2013

TMR # 2631

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FINANCIAL STATEMENT (As of April 15, 2013)(a)

Special Obligation Debt	
Senior Lien	\$206,270,000
Special Fund Balances	
Reserve	\$3,005,049(b)

(a) Includes \$29,925,000 W & SS Rev Ref & Imp Bds Ser 2013 dated May 1, 2013.
 (b) The Debt Service Reserve Fund Cash Balance is to provide additional security for the City's Series 2009, Series 2010, Series 2011, Series 2011A and Series 2012. The Bonds will also be secured by cash deposits to the Debt Service Reserve Fund. All other Series' reserve funds are funded by surety policies.

PAYMENT RECORD: Never defaulted.

DETAILS OF REVENUE DEBT

Details of Senior Lien Debt (Outstanding 4/15/2013)

W & SS Rev Bds Ser 2004-A

Lien: Senior	
Tax Treatment:	Tax Exempt
Original Issue Amount	\$38,485,000.00
Dated Date:	04/15/2004
Sale Date:	04/20/2004
Delivery Date:	05/26/2004
Sale Type:	Private Placement
Record Date:	MSRB
Bond Form:	BE
Denomination	\$5,000
Interest pays	Semi-Annually: 09/01, 03/01
1st Coupon Date:	03/01/2005

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Purchaser: Texas Water Development Board

Guaranty: AMBAC

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	1,975,000.00	3.0500%	N/A
03/01/2015	2,040,000.00	3.2000%	N/A
03/01/2016	2,105,000.00	3.3000%	N/A
03/01/2017	2,180,000.00	3.4000%	N/A
03/01/2018	2,255,000.00	3.5000%	N/A
03/01/2019	2,335,000.00	3.6000%	N/A
03/01/2020	2,420,000.00	3.6500%	N/A
03/01/2021	2,515,000.00	3.7500%	N/A
03/01/2022	2,610,000.00	3.8500%	N/A
03/01/2023	2,715,000.00	3.9000%	N/A
03/01/2024	2,825,000.00	3.9500%	N/A
			-----\$25,975,000.00

Call Option: Bonds maturing on 03/01/2015 to 03/01/2024 callable in whole or in part inversely on any date beginning 09/01/2014 @ par.

W & SS Rev Bds Ser 2005

Lien: Senior	
Tax Treatment:	Tax Exempt
Original Issue Amount	\$20,545,000.00
Dated Date:	03/15/2005
Sale Date:	03/22/2005
Delivery Date:	04/19/2005
Sale Type:	Negotiated
Record Date:	MSRB
Bond Form:	BE
Denomination	\$5,000
Interest pays	Semi-Annually: 03/01, 09/01
1st Coupon Date:	09/01/2005

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: RBC Dain Rauscher Inc.
 Co-Manager: Banc of America Securities LLC
 Co-Manager: Southwest Securities
 Co-Manager: Estrada Hinojosa & Co., Inc.

Insurance: AMBAC

Use of Proceeds: Water & Sewer.

Refunding Notes: Mty(s) 3/1/2016-3/1/2025 defeased by W & SS Rev Ref & Imp Bds Ser 2013 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	950,000.00	4.0000%	3.930%
03/01/2015	985,000.00	4.0000%	4.030%
			-----\$1,935,000.00

Call Option: Bonds maturing on 03/01/2015 callable in whole or in part on any date beginning 03/01/2014 @ par.

Refunded Notes: Mty(s) 03/01/2016-03/01/2025 scheduled to be called 3/1/2014 @ par.

W & SS Rev Bds Ser 2006

Lien: Senior	
Tax Treatment:	Tax Exempt
Original Issue Amount	\$16,180,000.00
Dated Date:	03/15/2006
Sale Date:	03/21/2006
Delivery Date:	04/19/2006
Sale Type:	Negotiated
Record Date:	MSRB
Bond Form:	BE
Denomination	\$5,000
Interest pays	Semi-Annually: 09/01, 03/01
1st Coupon Date:	03/01/2007

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: RBC Capital Markets
 Co-Manager: Banc of America Securities LLC

Insurance: AMBAC

Use of Proceeds: Water & Sewer.

DISCLAIMER. This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.

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Refunding Notes: Mty(s) 03/01/2016-03/01/2024, 03/01/2026 defeased by W & SS Rev Ref & Imp Bds Ser 2013 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	780,000.00	4.0000%	3.940%
03/01/2015	815,000.00	4.0000%	100.00%
-----\$1,595,000.00			

Call Option: Bonds maturing on 03/01/2015 callable in whole or in part on any date beginning 03/01/2014 @ par.

Refunded Notes: Mty(s) 03/01/2016-03/01/2024, 03/01/2026 scheduled to be called 3/1/2014 @ par.

W & SS Rev Bds Ser 2007

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$29,070,000.00
 Dated Date: 03/15/2007
 Sale Date: 04/03/2007
 Delivery Date: 05/15/2007
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2008

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Lehman Brothers
 Co-Manager: Banc of America Securities LLC

Insurance: Syncora Guarantee Inc.

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	1,190,000.00	5.6250%	3.810%
03/01/2015	1,260,000.00	5.6250%	3.880%
03/01/2016	1,330,000.00	5.6250%	3.930%
03/01/2017	1,405,000.00	5.0000%	3.980%
03/01/2018	1,470,000.00	5.0000%	4.040%
03/01/2019	1,550,000.00	5.0000%	4.080%
03/01/2020	1,630,000.00	5.0000%	4.140%
03/01/2021	1,715,000.00	5.0000%	4.170%
03/01/2022	1,800,000.00	5.0000%	4.220%
03/01/2027T	10,355,000.00	4.5000%	4.560%
-----\$23,705,000.00			

Call Option: Bonds maturing on 03/01/2018 to 03/01/2022 and 03/01/2027 callable in whole or in part on any date beginning 03/01/2017 @ par. The following term bonds are subject to mandatory sinking fund redemption each 3/1 @ par as follows: Mty 03/01/2027: 1,890M-03/01/2023; 1,980M-03/01/2024; 2,065M-03/01/2025; 2,160M-03/01/2026; 2,260M matures 03/01/2027.

Term bonds maturing on 03/01/2027:
 Mandatory Redemption Date Principal Amount

03/01/2023	\$1,890,000
03/01/2024	\$1,980,000
03/01/2025	\$2,065,000
03/01/2026	\$2,160,000
03/01/2027	\$2,260,000

W & SS Rev Bds Ser 2008

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$39,900,000.00
 Dated Date: 06/15/2008
 Sale Date: 06/17/2008
 Delivery Date: 07/22/2008
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2009

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Lehman Brothers
 Co-Manager: Banc of America Securities LLC
 Co-Manager: Estrada Hinojosa & Co., Inc.
 Co-Manager: Morgan Keegan & Co., Inc.
 Co-Manager: RBC Capital Markets
 Co-Manager: Southwest Securities

Insurance: Assured Guaranty Municipal Corp. (FSA)

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	1,655,000.00	5.0000%	3.550%
03/01/2015	1,735,000.00	5.0000%	3.690%
03/01/2016	1,830,000.00	5.0000%	3.820%
03/01/2017	1,920,000.00	5.0000%	3.960%
03/01/2018	2,020,000.00	5.0000%	4.090%
03/01/2019	2,125,000.00	5.0000%	4.220%
03/01/2020	2,235,000.00	5.0000%	4.340%
03/01/2021	2,350,000.00	5.0000%	4.430%
03/01/2022	2,465,000.00	4.6250%	4.600%
03/01/2023	2,580,000.00	4.7500%	4.630%
03/01/2024	2,220,000.00	4.7500%	4.690%
03/01/2025	2,330,000.00	4.7500%	4.740%
03/01/2026	2,445,000.00	4.7500%	4.790%
03/01/2027	2,565,000.00	4.8750%	4.790%
03/01/2028	2,695,000.00	5.0000%	4.760%
-----\$33,170,000.00			

Call Option: Bonds maturing on 03/01/2019 to 03/01/2028 callable in whole or in part on any date beginning 03/01/2018 @ par.

W & SS Rev Bds Ser 2009

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$18,090,000.00

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Dated Date: 05/15/2009
 Sale Date: 05/05/2009
 Delivery Date: 06/09/2009
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2010

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: RBC Capital Markets
 Co-Manager: Siebert Brandford Shank & Co.

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	750,000.00	2.7500%	2.500%
03/01/2015	780,000.00	3.0000%	2.780%
03/01/2016	800,000.00	3.2500%	3.000%
03/01/2017	835,000.00	3.5000%	3.230%
03/01/2018	865,000.00	3.7500%	3.440%
03/01/2019	895,000.00	3.7500%	3.640%
03/01/2020	930,000.00	4.0000%	3.840%
03/01/2021	970,000.00	4.0000%	100.00%
03/01/2022	1,005,000.00	4.0000%	4.120%
03/01/2023	1,050,000.00	4.1250%	4.280%
03/01/2024	1,090,000.00	4.2500%	4.420%
03/01/2025	1,000,000.00	4.3750%	4.560%
03/01/2026	1,045,000.00	4.5000%	4.650%
03/01/2027	1,095,000.00	4.6250%	4.740%
03/01/2028	1,145,000.00	4.7500%	4.820%
03/01/2029	1,200,000.00	4.7500%	4.900%
-----\$15,455,000.00			

Call Option: Bonds maturing on 03/01/2020 to 03/01/2029 callable in whole or in part on any date beginning 03/01/2019 @ par.

W & SS Rev Bds Ser 2010
 Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$21,270,000.00

Dated Date: 04/15/2010
 Sale Date: 04/06/2010
 Delivery Date: 05/06/2010
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2011

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Southwest Securities
 Co-Manager: Bank of America Merrill Lynch
 Co-Manager: Barclays Capital Inc.
 Co-Manager: RBC Capital Markets
 Co-Manager: Siebert Brandford Shank & Co.

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	805,000.00	3.0000%	1.800%
03/01/2015	830,000.00	3.0000%	2.170%
03/01/2016	855,000.00	3.0000%	2.670%
03/01/2017	885,000.00	4.0000%	2.980%
03/01/2018	920,000.00	4.0000%	3.250%
03/01/2019	965,000.00	4.0000%	3.450%
03/01/2020	1,000,000.00	4.0000%	3.600%
03/01/2022T	2,150,000.00	5.0000%	3.880%
03/01/2024T	2,375,000.00	5.0000%	4.080%
03/01/2026T	2,585,000.00	5.0000%	4.200%
03/01/2028T	2,815,000.00	5.0000%	4.340%
03/01/2030T	3,115,000.00	5.0000%	4.470%
-----\$19,300,000.00			

Call Option: Term bonds maturing on 03/01/2022 and 03/01/2024 and 03/01/2026 and 03/01/2028 and 03/01/2030 callable in whole or in part on any date beginning 03/01/2020 @ par.

Term Call: Term bonds maturing on 03/01/2022:

Mandatory Redemption Date	Principal Amount
03/01/2021	\$1,045,000
03/01/2022	\$1,105,000

Term bonds maturing on 03/01/2024:

Mandatory Redemption Date	Principal Amount
03/01/2023	\$1,155,000
03/01/2024	\$1,220,000

Term bonds maturing on 03/01/2026:

Mandatory Redemption Date	Principal Amount
03/01/2025	\$1,280,000
03/01/2026	\$1,305,000

Term bonds maturing on 03/01/2028:

Mandatory Redemption Date	Principal Amount
03/01/2027	\$1,375,000
03/01/2028	\$1,440,000

Term bonds maturing on 03/01/2030:

Mandatory Redemption Date	Principal Amount
03/01/2029	\$1,520,000
03/01/2030	\$1,595,000

W & SS Rev Bds Ser 2011
 Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$19,205,000.00

Dated Date: 06/15/2011
 Sale Date: 06/07/2011
 Delivery Date: 07/07/2011
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2012

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.

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Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Southwest Securities
 Co-Manager: Morgan Keegan & Co., Inc.
 Co-Manager: Raymond James & Associates, Inc.
 Co-Manager: RBC Capital Markets

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	265,000.00	2.0000%	1.090%
03/01/2016	340,000.00	3.0000%	1.570%
03/01/2017	930,000.00	3.0000%	1.990%
03/01/2018	965,000.00	4.0000%	2.330%
03/01/2019	1,000,000.00	4.0000%	2.600%
03/01/2020	1,045,000.00	4.0000%	2.860%
03/01/2021	1,085,000.00	4.0000%	3.050%
03/01/2022	1,135,000.00	4.0000%	3.280%
03/01/2023	1,185,000.00	5.0000%	3.440%
03/01/2024	1,245,000.00	5.0000%	3.600%
03/01/2025	1,305,000.00	5.0000%	3.790%
03/01/2026	1,380,000.00	5.0000%	3.920%
03/01/2027	1,290,000.00	5.0000%	4.050%
03/01/2028	1,355,000.00	5.0000%	4.170%
03/01/2029	1,425,000.00	5.0000%	4.260%
03/01/2030	1,500,000.00	5.0000%	4.330%
03/01/2031	1,575,000.00	5.0000%	4.410%
			-----\$19,025,000.00

Call Option: Bonds maturing on 03/01/2022 to 03/01/2031 callable in whole or in part on any date beginning 03/01/2021 @ par.

W & SS Rev Ref Bds Ser 2011A

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$30,150,000.00
 Dated Date: 11/01/2011
 Sale Date: 11/01/2011
 Delivery Date: 12/05/2011
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2012

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Southwest Securities
 Co-Manager: Morgan Keegan & Co., Inc.
 Co-Manager: RBC Capital Markets
 Underwriter's Counsel: Vinson & Elkins L.L.P.

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 3/1/2013-3/1/2023 of W & SS Rev Bds Ser 2003 @ par.
 This issue defeased mty(s) 3/1/2013-3/1/2024 of W & SS Rev Bds Ser 2004-B @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
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03/01/2014	2,150,000.00	3.0000%	0.850%
03/01/2015	2,230,000.00	4.0000%	1.200%
03/01/2016	2,320,000.00	4.0000%	1.520%
03/01/2017	2,410,000.00	4.0000%	1.790%
03/01/2018	2,505,000.00	4.0000%	2.070%
03/01/2019	2,605,000.00	4.0000%	2.380%
03/01/2020	2,710,000.00	4.0000%	2.640%
03/01/2021	2,830,000.00	5.0000%	2.750%
03/01/2022	2,980,000.00	5.0000%	2.890%
03/01/2023	3,120,000.00	5.0000%	3.080%
03/01/2024	2,200,000.00	5.0000%	3.210%
			-----\$28,060,000.00

Call Option: Bonds maturing on 03/01/2021 to 03/01/2024 callable in whole or in part on any date beginning 03/01/2020 @ par.

W & SS Rev Bds Ser 2012

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$8,415,000.00
 Dated Date: 06/01/2012
 Sale Date: 06/05/2012
 Delivery Date: 06/28/2012
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 09/01, 03/01
 1st Coupon Date: 03/01/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Southwest Securities
 Co-Manager: RBC Capital Markets
 Underwriter's Counsel: Bracewell & Giuliani LLP

Use of Proceeds: Water & Sewer.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	345,000.00	2.0000%	0.620%
03/01/2015	350,000.00	2.0000%	0.800%
03/01/2016	360,000.00	2.0000%	0.940%
03/01/2017	365,000.00	2.0000%	1.210%
03/01/2018	375,000.00	3.0000%	1.480%
03/01/2019	390,000.00	4.0000%	1.730%
03/01/2020	405,000.00	4.0000%	2.000%
03/01/2021	425,000.00	4.0000%	2.250%
03/01/2022	435,000.00	4.0000%	2.400%
03/01/2023	455,000.00	4.0000%	2.600%
03/01/2024	475,000.00	3.0000%	100.00%
03/01/2025	490,000.00	4.0000%	3.000%
03/01/2026	510,000.00	3.0000%	3.220%
03/01/2027	520,000.00	3.1250%	3.300%
03/01/2028	415,000.00	3.2500%	3.380%
03/01/2029	430,000.00	3.2500%	3.420%
03/01/2030	445,000.00	3.3750%	3.520%
03/01/2031	460,000.00	3.3750%	3.560%
03/01/2032	475,000.00	3.5000%	3.620%
			-----\$8,125,000.00

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Call Option: Bonds maturing on 03/01/2023 to 03/01/2032 callable in whole or in part on any date beginning 03/01/2022 @ par.

03/01/2032	\$440,000
03/01/2033	\$455,000

GRAND TOTAL===== > \$206,270,000.00

BOND DEBT SERVICE

Period Ending	Principal	Interest	Debt Service
09/30/13	10,365,000.00	8,631,386.93	18,996,386.93
09/30/14	11,385,000.00	8,268,325.00	19,653,325.00
09/30/15	11,555,000.00	7,837,822.50	19,392,822.50
09/30/16	12,280,000.00	7,390,606.25	19,670,606.25
09/30/17	13,225,000.00	6,927,145.00	20,152,145.00
09/30/18	13,715,000.00	6,426,141.25	20,141,141.25
09/30/19	14,250,000.00	5,892,648.75	20,142,648.75
09/30/20	14,805,000.00	5,332,022.50	20,137,022.50
09/30/21	15,390,000.00	4,713,051.25	20,103,051.25
09/30/22	16,010,000.00	4,037,974.38	20,047,974.38
09/30/23	16,700,000.00	3,332,730.00	20,032,730.00
09/30/24	15,880,000.00	2,631,125.00	18,511,125.00
09/30/25	11,175,000.00	2,053,093.75	13,228,093.75
09/30/26	10,110,000.00	1,590,487.50	11,700,487.50
09/30/27	9,535,000.00	1,146,662.50	10,681,662.50
09/30/28	7,495,000.00	748,350.00	8,243,350.00
09/30/29	4,975,000.00	454,318.75	5,429,318.75
09/30/30	3,955,000.00	247,078.13	4,202,078.13
09/30/31	2,460,000.00	101,140.63	2,561,140.63
09/30/32	915,000.00	31,093.75	946,093.75
09/30/33	455,000.00	7,678.13	462,678.13
	216,635,000.00	77,800,881.93	294,435,881.93

W & SS Rev Ref & Imp Bds Ser 2013

Lien: Senior

Tax Treatment: Tax Exempt
Original Issue Amount \$29,925,000.00

Dated Date: 05/01/2013

Sale Date: 05/07/2013

Delivery Date: 06/06/2013

Sale Type: Competitive

TIC: 2.3589%

Record Date: MSRB

Bond Form: BE

Denomination \$5,000

Interest pays Semi-Annually: 03/01, 09/01

1st Coupon Date: 09/01/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX

Bond Counsel: Fulbright & Jaworski L.L.P.

Financial Advisor: First Southwest Company, Dallas, TX

Lead Manager: Morgan Stanley

Use of Proceeds: Refunding, Water & Sewer.

Refunding Notes: This issue defeased mty(s) 3/1/2016-3/1/2025 of W & SS Rev Bds Ser 2005 @ par.

This issue defeased mty(s) 03/01/2016-03/01/2024, 03/01/2026 of W & SS Rev Bds Ser 2006 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
03/01/2014	520,000.00	2.0000%	0.350%
03/01/2015	530,000.00	2.0000%	0.450%
03/01/2016	2,340,000.00	2.0000%	0.670%
03/01/2017	2,295,000.00	2.0000%	0.840%
03/01/2018	2,340,000.00	2.0000%	1.070%
03/01/2019	2,385,000.00	2.0000%	1.350%
03/01/2020	2,430,000.00	2.0000%	1.560%
03/01/2021	2,455,000.00	3.0000%	1.800%
03/01/2022	2,475,000.00	3.0000%	2.000%
03/01/2023	2,550,000.00	3.0000%	2.200%
03/01/2024	2,625,000.00	3.0000%	2.350%
03/01/2025	2,705,000.00	3.0000%	2.500%
03/01/2026	1,265,000.00	3.0000%	2.700%
03/01/2027	430,000.00	3.0000%	2.900%
03/01/2030T	1,260,000.00	3.2500%	3.290%
03/01/2033T	1,320,000.00	3.3750%	3.450%
			-----\$29,925,000.00

Call Option: Bonds maturing on 03/01/2024 to 03/01/2027 and term bonds maturing on 03/01/2030 and 03/01/2033 callable in whole or in part on any date beginning 03/01/2023 @ par.

Term Call: Term bonds maturing on 03/01/2030:

Mandatory Redemption Date	Principal Amount
03/01/2028	\$445,000
03/01/2029	\$400,000
03/01/2030	\$415,000

Term bonds maturing on 03/01/2033:

Mandatory Redemption Date	Principal Amount
03/01/2031	\$425,000

COMPUTED ON BASIS OF MANDATORY REDEMPTION

DEBT AMORTIZATION RATES

Period Ending	Principal	% of Principal Retired
09/30/2013	10,365,000.00	04.78%
09/30/2014	11,385,000.00	10.04%
09/30/2015	11,555,000.00	15.37%
09/30/2016	12,280,000.00	21.04%
09/30/2017	13,225,000.00	27.15%
09/30/2018	13,715,000.00	33.48%
09/30/2019	14,250,000.00	40.06%
09/30/2020	14,805,000.00	46.89%
09/30/2021	15,390,000.00	53.99%
09/30/2022	16,010,000.00	61.38%
09/30/2023	16,700,000.00	69.09%
09/30/2024	15,880,000.00	76.42%
09/30/2025	11,175,000.00	81.58%
09/30/2026	10,110,000.00	86.25%
09/30/2027	9,535,000.00	90.65%
09/30/2028	7,495,000.00	94.11%
09/30/2029	4,975,000.00	96.41%
09/30/2030	3,955,000.00	98.23%
09/30/2031	2,460,000.00	99.37%
09/30/2032	915,000.00	99.79%
09/30/2033	455,000.00	100.00%

PERTINENT PROVISIONS OF THE UTILITY SYSTEM REVENUE BOND INDENTURE

1. Nature of Pledge: First lien on and pledge of the net revenues from the

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operation of the Water & Sewer Systems.

2. Special Funds Created by Indenture comparing balances which are ultimately and presently required to actual balances.

I&S Fund: To receive net revenues by the 15th day of each month sufficient to meet debt service requirements when due.

Reserve Fund: To maintain a Required Reserve Fund amount equal to the average annual requirements on all bonds similarly secured as determined on the date of the delivery of the last series of bonds which are similarly secured. The City has previously obtained surety policies to fund the respective Required Reserve Fund Amounts for Previously Issued Bonds from Ambac Assurance Corporation in the amount of (i) \$2,759,700.00 (in connection with the issuance of the City's Water and Sewer System Revenue Bonds, Series 2004A), (ii) \$1,614,244.02 (in connection with the issuance of the City's Water and Sewer System Revenue Bonds, Series 2005), and (iii) \$1,292,193.76 (in connection with the issuance of the City's Water and Sewer System Revenue Bonds, Series 2006); from XL Capital Assurance, Inc. in the amount of \$2,361,700.00 (in connection with the issuance of the City's Water and Sewer System Revenue Bonds, Series 2007); and from Financial Security Assurance Inc. (now Assured Guaranty Municipal Corp.) in the amount of \$3,178,088.52 (in connection with the issuance of the City's Water and Sewer System Revenue Bonds, Series 2008). Monthly deposits are made to the Reserve Fund on or before the 15th day of each month in an amount equal to 1/60th of the Required Reserve Fund amount until the total Required Reserve Fund required to be maintained is fully funded for all additional bonds.

3. Coverage Required as a Condition to Issuance of Parity Bonds: For the preceding fiscal year or any 12 consecutive months ending not more than 90 days immediately preceding the issuance and sale of additional bonds, net revenues shall have been not less than 1.15 times average annual requirements, after giving effect of the additional bonds.

4. Rate Covenant: The City has covenanted that it will charge and collect rates for services rendered by the System sufficient to pay all operating, maintenance, replacement and improvement expenses, and other costs deductible in determining Net Revenues and to pay debt service of the Bonds similarly secured and any additional bonds, and to establish and maintain the funds provided.

WATERWORKS & SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments and expenditures identified as capital.

	Fiscal Year Ended			
	09-30-2012	09-30-2011	09-30-2010	09-30-2009
Revenues:				
W & S Service	\$88,698,885	\$92,282,581	\$81,005,182	\$72,632,840
Other	658,103	722,169	667,966	1,832,876
	-----	-----	-----	-----
Total Revenues	\$89,356,988	\$93,004,750	\$81,673,148	\$74,465,716
Expenses:				
Water Purchased	\$19,890,333	\$18,669,727	\$16,295,908	\$15,599,285
Other	32,610,104	30,486,239	29,706,421	27,612,390
	-----	-----	-----	-----
Total Expenses	\$52,500,437	\$49,155,966	\$46,002,329	\$43,211,675
Available For Debt Service	\$36,856,551	\$43,848,784	\$35,670,819	\$31,254,041
Revenue Annual Rqmts	\$18,542,872	\$18,027,637	\$16,432,404	\$15,068,038

Coverage On

Revenue Bds	1.99X	2.43X	2.17X	2.07X
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Customer Count:				
Water	69,913	67,512	67,317	67,154
Sewer	67,618	65,094	64,931	65,614

NORTH TEXAS MWD WATER SUPPLY SYSTEM - Wholesale Treated Water Supply Contract (See TMR #5636 for additional information, including all member cities)

Amended Contract Date: August 11, 1989
 Bonds Outstanding: \$1,099,160,000* as of 09-30-13

*Excludes \$36,417,993 U.S. Government Contracts as of 9-30-12.

Nature of Contract: The NTMWD issued revenue bonds for the construction of treated water supply facilities for the purpose of providing its member cities with wholesale treated water. The District owns and operates the extensive treated water supply system and obtains its water supply from Lavon Dam and Reservoir (located approximately 25 miles northeast of the City of Dallas). The members purchase treated water from the NTMWD. The contract has no expiration date and the NTMWD currently provides water service to areas having an estimated population in excess of 1,600,000, including 13 member cities, 12 other cities, areas serviced by 16 water supply corporations or special districts, and to more than 94 individual customers.

SEWER SYSTEM The City's Sewer System provides retail Sewer System service to all customers located within the City limits. In addition, the City has entered into various agreements to treat sewage for the Cities of Richardson, Rowlett, Dallas, Sachse, and the Town of Sunnyvale.

The Sewer System consists of two Sewer System treatment plants. The Rowlett Creek Plant has a daily capacity of 24.0 million gallons, and the Duck Creek Plant has a daily capacity of 40 million gallons.

SPECIAL CUSTOMERS: The City has agreements with the Cities of Rowlett, Dallas, Richardson, Mesquite, Sachse, Town of Sunnyvale, the Texas Utilities Generating Company and Sunnyvale ISD to provide sewer disposal.

WATER RATES (Monthly billing) Historical rate changes effective October 1, 2006, October 1, 2008, October 1, 2009 October 1, 2010, October 1, 2011, October 1, 2012, and October 1, 2013.

Old Rates (Effective October 1, 2012)

Residential*	
Customer Charge	Rates
5/8" meter	\$10.20(Min)
3/4" meter	13.25(Min)
	Volume Charge
First 3,000	\$3.02/M gals
Next 12,000	3.97/M
Over 15,000	6.14/M

*Minimum monthly charge equals the customer charge per month. Maximum volume charge will not exceed a ceiling of 17,000 gallons per month. Volume charge is based on 98% of metered water consumption. Maximum charge will not exceed the customer charge plus volume charge for 17,000 gallons per month.

All Outside City services shall be one and one-half times the rate for that service inside the City limits.

New Rates (Effective October 1, 2013)

Residential*	
Customer Charge	Rates
5/8" meter	\$11.30(Min)
3/4" meter	14.70(Min)

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	Volume Charge
First 3,000	\$3.35/M gals
Next 12,000	4.40/M
Over 15,000	6.78/M

*Minimum monthly charge equals the customer charge per month. Maximum volume charge will not exceed a ceiling of 17,000 gallons per month. Volume charge is based on 98% of metered water consumption. Maximum charge will not exceed the customer charge plus volume charge for 17,000 gallons per month.

All Outside City services shall be one and one-half times the rate for that service inside the City limits.

SEWER RATES (Monthly billing) (Based on water consumption) Historical rate changes effective October 1, 2006, October 1, 2008, October 1, 2009, October 1, 2010, October 1, 2011, and October 1, 2013.

Old Rates (Effective October 1, 2011)

	Rates*
Customer Charge	\$6.00 per month
Volume Charge	4.31/M gals

* Minimum monthly charge equals the customer charge per month. Maximum volume charge will not exceed a ceiling of 17,000 gallons per month. Volume charge is based on 98% of metered water consumption. Maximum charge will not exceed the customer charge plus volume charge for 17,000 gallons per month.

New Rates (Effective October 1, 2013)

	Rates*
Customer Charge	\$6.10 per month
Volume Charge	4.40/M gals

* Minimum monthly charge equals the customer charge per month. Maximum volume charge will not exceed a ceiling of 17,000 gallons per month. Volume charge is based on 98% of metered water consumption. Maximum charge will not exceed the customer charge plus volume charge for 17,000 gallons per month.

REVENUE BONDS AUTHORIZED BUT UNISSUED

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
08/22/81	Sewer Impr	\$1,080,000	\$905,000	\$175,000
10/13/84	W&W	7,870,000	7,869,000	1,000
Total:		\$8,950,000	\$8,774,000	\$176,000*

*Due to the age of these authorizations, the City does not expect to issue the authorized bonds.

NON-FUNDED DEBT PAYABLE (As of September 30, 2012)

The City reports additional debt in the principal amount of \$913,630 under Sewer Fund and \$575,577 under Water Fund as follows:

	Amount Outstanding	Reported Under
OPEB*	\$586,319	Sewer Fund
Compensated Absences	\$327,311	Sewer Fund
Compensated Absences	\$208,264	Water Fund
OPEB*	\$367,313	Water Fund

* See PENSION FUND LIABILITY section of TMR #1533 for details of this obligation.

ECONOMIC BACKGROUND

The City of Garland is located approximately 14 miles northeast of downtown Dallas. The City's 2010 population was 226,876, an increase of 5.15% since 2000. The City encompassing 57 square miles, abuts the City of Dallas and the suburban cities of Richardson, Mesquite, Rowlett, Sachse and Sunnyvale. The economy is based on industry and manufacturing. Lake Lavon, 18 miles northeast of Garland, has excellent facilities for fishing, swimming, boating, and picnicking. Lake Ray Hubbard also provides excellent recreational facilities.

COUNTY CHARACTERISTICS: Dallas County was created in 1846 from Nacogdoches and Robertson Counties and named for the U.S. Vice-President, George Mifflin Dallas. The north central Texas county is the major component of the Dallas Primary Metropolitan Statistical Area.

Dallas County is a national center for insurance, banking, electronics, conventions, aircraft manufacturing, and trade shows.

As one of the nation's leading convention centers, as well as trade and market centers, Dallas County receives an estimated 1,000,000 visitors annually. The Dallas Market Center attracts over 500,000 retail store buyers alone. Also located in the County is the World Trade Center, an international market center with 1.4 million square feet. Tourism is an important industry. Dallas County attractions include the Texas State Fair, Hall of State, Dallas Museum of Art, Museum of Natural History, SMU, Dallas Zoo, West End Historic District, and The Cotton Bowl.

COUNTY SEAT: Dallas

2010 census: 2,368,139 increasing 6.7 % since 2000
2000 census: 2,218,899 increasing 19.8 % since 1990
1990 census: 1,852,810

ECONOMIC BASE

Mineral: sand, gravel and gas.

Industry: manufacturing, government, data processing and conventions.

Agricultural: wheat, soybeans, horticulture, horses, hay, crops and corn.

PARKS

Year	Description	Volume
2008	Cedar Hill	255,295 Visitors
2009	Cedar Hill	275,461 Visitors
2010	Cedar Hill	251,370 Visitors
2011	Cedar Hill	225,137 Visitors
2012	Cedar Hill	287,055 Visitors

RETAIL SALES & EFFECTIVE BUYING INCOME*

Year	2012	2011	2010
Retail Sales	\$30.1B	\$30.1B	\$24.3B
Effective Buying Income (EBI)	\$48.4B	\$48.8B	\$49.1B
County Median Household Income	\$40,388	\$40,599	\$41,842
State Median Household Income	\$47,613	\$47,705	\$49,723
% of Households with EBI below \$25K	14.4 %	14.3 %	14.4 %
% of Households with EBI above \$25K	65.0 %	66.8 %	66.9 %

EMPLOYMENT DATA

	2013		2012		2011	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	1,461,984	\$23.1B	1,439,187	\$22.7B	1,409,567	\$21.1B
2nd Q:	N/A	N/A	1,465,567	\$20.5B	1,432,886	\$19.7B
3rd Q:	N/A	N/A	1,473,027	\$20.8B	1,444,264	\$20.7B
4th Q:	N/A	N/A	1,491,524	\$23.5B	1,455,683	\$21.7B

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Dallas, University of Dallas, The University of Texas Southwestern Medical at Dallas, Southern

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Methodist University, Richland College, Paul Quinn College, North Lake College, Mountain View College, El Centro College, Eastfield College, Cedar Valley College, Brookhaven College, Amberton University

COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2012	13	115,562
2011	13	118,547
2010	13	111,524
2009	13	106,102
2008	13	83,468

* DemographicsUSA County Edition

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

Major Employers*	# Employees
Raytheon Aerospace and Defense	3,500
Wal-Mart Retail Distribution Center	1,250
International/SST Truck Truck Mfg.	800
Kingsley Tools (Danaher) Equipment/Tool Manufacturer	550
US Food Service Food Manufacturer	500
Atlas Copco Mining/Drilling Equipment	420
Hatco (Resistol) Apparel Manufacturer	386
Home Depot Retailer	339
General Dynamics Aerospace and Defense	325
L-3 Communications EOS Electronics Manufacturer	300

*Source: City of Garland CAFR dated September 30, 2012.

FINANCE CONNECTED OFFICIALS

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