

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2008

CITY OF BROWNWOOD, TEXAS

GENERAL OBLIGATION DEBT



FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2008 are being separately filed with each Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, either directly or through the Central Post Office, 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 BROWNWOOD, TEXAS

/s/ Walter Middleton

Walter Middleton

Director of Finance

Approved for Submission:

03/27/2009

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 Brownwood, Texas with respect to the issues listed on the report cover was submitted to each National Recognized Municipal Securities Information Repository (“NRMSIR”) listed below as well as to any applicable State Information Depository (“SID”) either directly or through the Central Post Office.

NRMSIR’s

Bloomberg Municipal Repository
DPC Data, Inc.
FT Interactive Data
Standard & Poor’s Securities Evaluations, Inc.

First Southwest Company

Signed by:

/s/ Gillis Schwartz

**CITY OF BROWNWOOD, TEXAS
2009 GENERAL OBLIGATION DEBT REPORT**

TABLE 1 – VALUATION, EXEMPTION AND TAX SUPPORTED DEBT

2008/09 Market Valuation Established by Brown County Appraisal District (excluding totally exempt property)		\$ 715,495,843
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions (Over 65 and Disabled)	\$ 22,902,638	
Disabled Veterans Exemptions	1,691,340	
Agriculture/Open-Space Land Use Reductions	4,414,540	
Homestead Cap Loss	8,620,858	
Tax Abatement Reductions	4,065,179	
Solar and Wind-Powered Prorations	107,731	41,802,286
2008/09 Taxable Assessed Valuation		\$ 673,693,557
General Obligation Debt Payable from Ad Valorem Taxes		\$ 24,635,000
Less: Self-Supporting Debt		
Waterworks and Sewer System General Obligation Debt ⁽¹⁾		14,770,000
General Purpose General Obligation Debt Payable from Ad Valorem Taxes		\$ 9,865,000
Interest and Sinking Fund as of 1/31/09 ⁽²⁾		\$ 804,532
Ratio General Obligation Debt to Taxable Assessed Valuation		3.66%
Ratio General Purpose General Obligation Debt to Taxable Assessed Valuation		1.46%

2009 Estimated Population - 20,138

Per Capita 2009 Taxable Assessed Valuation - 33,454

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$1,223

Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$490

(1) Includes the Series 2000 Certificates, a portion of Series 2003 Certificates, a portion of the Series 2005 Bonds, and a portion of the 2005 Certificates. General Obligation debt for which repayment is provided from surplus net revenues of the Waterworks System (see "Table 3B – Derivation of General Purpose Funded Tax Debt"). The amount of self-supporting debt is based on the percentage of revenue support as shown in Table 10. It is the City's current policy to provide these payments from System revenue; this policy is subject to change in the future.

(2) Preliminary, provided by City Officials.

TABLE 2 – TAXABLE ASSESSED VALUATION BY CATEGORY

Category	Fiscal Year Ended September 30,					
	2009		2008		2007	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 362,739,222	50.70%	\$ 341,091,462	51.32%	\$ 330,016,881	51.87%
Real, Residential, Multi-Family	29,744,690	4.16%	30,217,840	4.55%	24,463,180	3.85%
Real, Vacant Lots/Tracts	7,373,051	1.03%	7,927,761	1.19%	8,275,821	1.30%
Real, Acreage (Land Only)	5,821,800	0.81%	5,698,870	0.86%	3,912,770	0.62%
Real, Farm and Ranch Improvements	2,599,200	0.36%	2,588,080	0.39%	2,322,420	0.37%
Real, Commercial and Industrial	170,232,750	23.79%	150,752,870	22.68%	139,246,640	21.89%
Real and Tangible Personal, Utilities	29,905,190	4.18%	26,986,540	4.06%	26,394,230	4.15%
Tangible Personal, Commercial and Industrial	98,204,720	13.73%	91,270,500	13.73%	92,616,980	14.56%
Tangible Personal, Other	1,333,660	0.19%	1,460,970	0.22%	1,293,880	0.20%
Special Inventory	7,194,700	1.01%	6,235,930	0.94%	7,245,150	1.14%
Real Property, Inventory	346,860	0.05%	373,370	0.06%	413,270	0.06%
Total Appraised Value Before Exemptions	\$ 715,495,843	100.00%	\$ 664,604,193	100.00%	\$ 636,201,222	100.00%
Less: Total Exemptions/Reductions	41,802,286		42,766,207		47,632,109	
Taxable Assessed Value	<u>\$ 673,693,557</u>		<u>\$ 621,837,986</u>		<u>\$ 588,569,113</u>	

Category	Fiscal Year Ended September 30,			
	2006		2005	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 272,864,071	48.99%	\$ 260,507,002	49.65%
Real, Residential, Multi-Family	20,443,820	3.67%	19,634,450	3.74%
Real, Vacant Lots/Tracts	8,694,431	1.56%	6,059,101	1.15%
Real, Acreage (Land Only)	3,684,140	0.66%	3,032,390	0.58%
Real, Farm and Ranch Improvements	1,749,750	0.31%	1,658,020	0.32%
Real, Commercial and Industrial	134,308,170	24.11%	117,433,610	22.38%
Real and Tangible Personal, Utilities	25,101,600	4.51%	26,348,370	5.02%
Tangible Personal, Commercial and Industrial	80,595,350	14.47%	80,364,210	15.32%
Tangible Personal, Other	1,361,660	0.24%	1,375,260	0.26%
Special Inventory	7,784,890	1.40%	7,891,980	1.50%
Real Property, Inventory	382,620	0.07%	362,000	0.07%
Total Appraised Value Before Exemptions	\$ 556,970,502	100.00%	\$ 524,666,393	100.00%
Less: Total Exemptions/Reductions	32,031,339		29,254,623	
Taxable Assessed Value	<u>\$ 524,939,163</u>		<u>\$ 495,411,770</u>	

NOTE: Valuations shown are certified taxable assessed values reported to the Brown County 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.

TABLE 3A – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	General Purpose G.O. Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of General Purpose G.O. Tax Debt to Taxable Assessed Valuation	General Purpose G.O. Tax Debt Per Capita ⁽⁴⁾
2005	20,407	\$ 495,411,770	\$ 24,140	\$ 11,570,000	5.46%	\$ 567
2006	20,407	524,939,163	25,723	10,750,000	2.05%	527
2007	20,407	588,569,113	28,842	9,820,000	1.67%	481
2008	20,138	621,837,986	30,879	8,880,000	1.43%	441
2009	20,138	673,693,557	33,454	6,965,000 ⁽⁴⁾	1.03% ⁽⁴⁾	346 ⁽⁴⁾

- (1) Source: City of Brownwood.
- (2) As reported by the Brown County Appraisal District on City’s annual State Property Tax Board Reports; subject to change during the ensuing year.
- (3) Does not include self-supporting debt.
- (4) Projected.

TABLE 3B– DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT

Fiscal Year Ended 9/30	Total Funded Tax Debt Outstanding at End of Year	Less: Self-Supporting Waterworks and Sewer System General Obligation Debt	General Purpose Funded Tax Debt Outstanding at End of Year
2005	\$ 28,580,000	\$ 17,010,000	\$ 11,570,000
2006	26,685,000	15,935,000	10,750,000
2007	24,665,000	14,845,000	9,820,000
2008	22,610,000	13,730,000	8,880,000
2009	22,560,000 ⁽¹⁾	15,595,000 ⁽¹⁾	6,965,000 ⁽¹⁾

- (1) Projected.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% Current Collections	% Total Collections
		General Fund	Interest and Sinking Fund			
2005	\$ 0.7946	\$ 0.5712	\$ 0.2234	\$ 3,921,211	96.80%	100.04%
2006	0.7946	0.5842	0.2104	4,170,925	89.05%	91.57%
2007	0.7899	0.5993	0.1906	4,646,095	94.20%	97.30%
2008	0.7452	0.5661	0.1791	4,671,813	96.15%	98.42%
2009	0.7452	0.5729	0.1723	5,020,364	64.43% ⁽¹⁾	65.26% ⁽¹⁾

- (1) Collections through January 31, 2009.

TABLE 5 – TOP TEN TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2008/09 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Hospital Corp of America	Hospital	\$ 24,239,020	3.60%
Wal-Mart Store East Inc. #813	Retail Store	15,270,590	2.27%
Oncor Electric Delivery Co.	Electric Utility	10,154,790	1.51%
Verizon Southwest	Telephone Utility	9,476,530	1.41%
Commerce Station LP	Real Estate	5,872,880	0.87%
Home Depot #6820	Retail/Warehouse	5,133,730	0.76%
Stanley Chrysler, Dodge, Jeep	Retail	3,422,410	0.51%
Danhil Containers Inc.	Packaging Products	3,558,020	0.53%
HJK Hospitality Inc.	Hotel/Motel	3,161,920	0.47%
Loadcraft Industries Ltd.	Oil & Gas	3,112,860	0.46%
		<u>\$ 83,402,750</u>	<u>12.38%</u>

TABLE 6 – TAX ADEQUACY

2009 Net Principal and Interest Requirements ⁽¹⁾	\$ 1,163,421
\$.1799 Tax Rate at 96% Collection Produces.....	\$ 1,163,496
Maximum Principal and Interest Requirements, All General Obligation Debt, 2010	\$ 3,550,011
\$.5490 Tax Rate at 96% Collection Produces	\$ 3,550,635
Maximum Principal and Interest Requirements, Net Debt, 2010	\$ 1,841,628
\$.2848 Tax Rate at 96% Collection Produces.....	\$ 1,841,932

(1) Does not include Self-Supporting Debt.

TABLE 8 – TAX SUPPORTED DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service ⁽¹⁾			Less: Waterworks & Sewer System General Obligation Requirements ⁽²⁾		General Purpose General Obligation Requirements	% of Principal Retired
	Principal	Interest	Total				
	2009	\$ 2,075,000	\$ 794,968	\$ 2,869,968	1,706,546	\$ 1,163,421	
2010	2,755,000	795,011	3,550,011	1,708,383	1,841,628		
2011	2,825,000	684,645	3,509,645	1,700,112	1,809,534		
2012	2,890,000	594,320	3,484,320	1,700,408	1,783,912		
2013	1,750,000	510,142	2,260,142	1,214,263	1,045,879	49.91%	
2014	1,565,000	450,863	2,015,863	1,172,878	842,984		
2015	1,305,000	398,040	1,703,040	1,128,256	574,784		
2016	1,180,000	350,998	1,530,998	1,100,310	430,688		
2017	1,225,000	304,155	1,529,155	1,104,686	424,469		
2018	1,275,000	254,275	1,529,275	1,103,746	425,529	76.50%	
2019	1,110,000	205,964	1,315,964	1,031,445	284,519		
2020	1,160,000	159,116	1,319,116	1,032,071	287,045		
2021	1,215,000	109,330	1,324,330	1,035,583	288,747		
2022	505,000	74,878	579,878	465,604	114,274		
2023	530,000	56,593	586,593	468,928	117,664	94.84%	
2024	550,000	37,283	587,283	470,364	116,918		
2025	575,000	16,961	591,961	475,963	115,998		
2026	145,000	3,263	148,263	33,359	114,903	100.00%	
	<u>\$ 24,635,000</u>	<u>\$ 5,800,802</u>	<u>\$ 30,435,802</u>	<u>\$ 18,652,905</u>	<u>\$ 11,782,897</u>		

(1) "Outstanding Debt Service" does not include lease-purchase and note obligations described in "Table 12 – Other Obligations."

(2) Includes the Series 2000 Certificates, a portion of Series 2003 Certificates, a portion of the Series 2005 Bonds, and a portion of the 2005 Certificates

TABLE 9 – INTEREST AND SINKING FUND BUDGET PROJECTION

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2009		\$ 1,163,421
Interest and Sinking Fund, Fiscal Year Ending 9/30/2008	\$ 292,036	
Estimated Interest Income	\$ 16,750	
2008/09 Interest and Sinking Fund Taxes (as budgeted)	<u>1,162,141</u>	<u>\$ 1,470,927</u>
Estimated Balance, Fiscal Year Ending 9/30/2009		\$ 307,506

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

Net System Revenue from Waterworks and Sewer System, Fiscal Year Ended 9/30/2008	\$ 2,403,772
Less: Requirements for Waterworks and Sewer System Revenue Debt, Fiscal Year Ending 9/30/2009	<u>-</u>
Balance Available for Other Purposes	\$ 2,403,772
Requirements for Waterworks and Sewer System General Obligation Debt, Fiscal Year Ending 9/30/2009	<u>1,706,546</u>
Balance	\$ 697,226
Percentage of System General Obligation Bonds Self-Supporting	100.00%

TABLE 11 – AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

As of September 30, 2008, the City had no authorized but unissued bonds.

TABLE 12 – OTHER OBLIGATIONS

The City is obligated under certain leases which contain cancellation provisions subject to annual appropriations by the City Council. These have been recorded as capital leases. The leases are supported by notes payable and all but one had maturity dates of September 30, 2008. They were all renegotiated and renewed for another twelve months at the City’s depository bank. The City also had two notes payable that have been included in the capital leases category in the statement of net assets because they have the same pay off characteristics as the capital leases.

The Airport Fund borrowed \$160,000 from Brownwood Economic Development Corporation to build a building at the airport to be leased by Federal Express. The note is due and payable on September 30, 2008 with interest at zero percent. The note was refinanced on the same terms for one year.

The Airport Fund borrowed \$520,000 from Brownwood Economic Development Corporation to build T hangers to be leased to customers of the Brownwood airport. Payment is to be monthly in installments equal to the total gross monthly rents collected from rentals of the hangers for the prior month. The note bears interest at zero percent and is payable on the 15th of the month until paid.

The following schedule of future payments in accordance with the payment terms of the above leases and notes:

Fiscal Year Ended 9/30	Governmental Activities	Business Type Activities
2009	\$ 378,868	\$ 938,467
2010	337,550	852,329
2011	261,001	1,375,967
2012	160,757	377,727
2013	39,453	100,172
2014-2018		160,000
2019-2021	-	122,872
	<u>\$ 1,177,629</u>	<u>\$ 3,927,534</u>

The above leases and notes are all secured by capital assets.

TABLE 13 – GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2008	2007	2006	2005	2004
REVENUE:					
Ad Valorem Taxes	\$ 3,556,136	\$ 3,590,339	\$ 3,076,490	\$ 2,890,838	\$ 2,769,329
Sales Tax	4,455,272	4,330,910	4,117,442	3,918,435	3,512,359
Other Taxes	2,857,573	2,883,765	2,788,680	2,564,497	2,747,757
Fines	411,771	349,747	341,145	343,410	336,151
Licenses and Fees	132,141	113,956	112,735	52,080	104,050
Charges for Services	264,718	254,679	257,700	247,488	216,768
Intergovernmental	1,194,448	1,148,380	1,126,651	1,160,683	1,107,352
Miscellaneous	118,944	239,365	2,316,933	105,783	8,806
Grant Contributions	177,656	101,726	-	-	-
Total Revenue	\$ 13,168,659	\$ 13,012,867	\$ 14,137,776	\$ 11,283,214	\$ 10,802,572
EXPENDITURES:					
City Council	\$ 81,705	\$ 132,416	\$ 345,693	\$ 239,949	\$ 154,176
Administration	178,246	178,656	193,266	312,432	236,656
City Secretary	138,808	111,468	95,619	76,762	71,172
Finance/Accounting	264,582	257,112	287,900	244,086	237,868
Municipal Court	250,187	254,019	232,573	226,839	216,503
Police Department	3,520,222	3,349,984	3,382,319	3,222,615	3,299,087
Fire Department	2,542,194	1,884,556	1,880,526	1,674,436	1,563,002
Code Enforcement	505,123	340,107	314,968	307,141	284,767
Street Department	2,209,209	1,854,256	2,550,469	1,843,172	1,810,901
Health Department	229,326	259,170	233,161	215,611	204,820
Community Services	592,144	499,494	524,063	510,610	512,649
Intergovernmental	182,669	176,601	159,452	146,227	137,285
Utility Collections	144,352	126,250	133,781	121,885	117,142
Community Facilities	373,033	346,915	388,593	352,507	381,849
Operations Support	159,998	151,965	401,454	344,743	318,125
Purchasing and Warehouse	164,369	148,344	155,489	152,823	147,349
Parks and Recreation	892,266	875,714	774,710	721,904	729,257
Fleet Services	438,883	406,281	424,613	400,509	389,684
City Attorney	170,911	163,023	158,569	155,287	149,558
Public Works	412,565	420,538	392,466	355,290	388,977
Emergency Management	91,112	96,004	4,584	16,266	1,272
Human Resources	183,404	155,042	170,815	160,707	136,995
Fire Marshall	97,729	76,802	64,817	76,936	65,403
Debt Service - Principal	-	1,200,000	-	-	-
Other	750,312	917,165	2,278,803	-	21,796
Total Expenditures	\$ 14,573,349	\$ 14,381,882	\$ 15,548,703	\$ 11,878,736	\$ 11,576,293
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,404,690)	\$ (1,369,015)	\$ (1,410,927)	\$ (595,522)	\$ (773,721)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ 605,240	\$ 1,077,200	\$ 118,105	\$ -	\$ 728,199
Operating Transfers Out	(96,598)	-	(7,051)	-	(715,000)
Proceeds of Note Payable	685,771	486,897	1,522,448	95,454	78,459
Donation of Railroad Collection	-	-	-	-	-
Conversion of Accounts Payable to Capital Lease	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-
Sale of Land	-	-	-	31,861	99,579
Sale of Equipment	167,867	118,962	5,400	115,500	10,014
Total Other Financing Sources (Uses)	\$ 1,362,280	\$ 1,683,059	\$ 1,638,902	\$ 242,815	\$ 201,251
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(42,410)	314,044	227,975	(352,707)	(572,470)
Fund Balance Beginning of Year	\$ 436,808 ⁽¹⁾	\$ 372,764	\$ 270,568	\$ 623,275	\$ 1,195,745
Prior Period Adjustment	-	-	-	-	-
Restated Fund Balance Beginning of Year	436,808	372,764	199,104 ⁽¹⁾	-	-
Other changes	-	-	(54,315)	-	-
FUND BALANCE END OF YEAR	\$ 394,398	\$ 686,808	\$ 372,764	\$ 270,568	\$ 623,275

(1) Restated.

TABLE 14 – MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, VATCS, Tax Code, Chapter 321, which grants the City to power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. At an election held in May, 1990, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (1/2 of 1%) for property tax reduction. Collection of the additional tax went into effect on October 1, 1990.

Fiscal Year Ended 9/30	Total Collections ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2005	\$ 3,883,819	99.05%	\$ 0.0078	\$ 190
2006	4,075,695	97.72%	0.0078	200
2007	4,265,743	91.81%	0.0072	209
2008	4,455,272	95.36%	0.0072	221
2009	2,169,174 ⁽²⁾	43.21%	0.0032	108

(1) Sales and use tax collected represents tax levied for City purposes at 1½%.

(2) Partial collections through February 28, 2009.

TABLE 15 – CURRENT INVESTMENTS

As of December 31, 2008, the City’s funds were invested as follows:

Type of Investment	Book Value	% of Book Value
TexPool	5,844,927	70.54%
TexStar	2,441,502	29.46%
	<u>\$ 8,286,429</u>	<u>100.00%</u>

TABLE 16 – MONTHLY WATER RATES

Residential (Single Meter)/Commercial/Industrial		
Monthly Service Fee		
Meter Size	Present rate (Effective 09/30/2007)	Previous Rate (Effective 09/30/2006)
3/4"	\$20.95	\$17.95
1"	23.60	20.21
1 1/2"	45.55	39.02
2"	53.80	46.09
3"	192.05	164.55
4"	250.05	214.23
6"	500.05	428.46
8"	800.10	685.54
10"	1,149.60	985.46
12"	1,378.55	1,181.16

All consumption shall be charged at the rate of \$2.02 per 100 cubic feet (effective 09-30-2007).

Multiple Family Residence: Multiple family residences with separate water meters for each unit – same as single family residence.

Multiple Family Units on One Water Meter: Monthly service fee is based on meter size as listed above plus \$9.95 per month per each family unit (effective 09-30-2007). All consumption shall be charged at the rate of \$2.62 per 100 cubic feet (effective 09-30-2007).

Outside City Limits (Residential/Commercial/Industrial/Multiple Family): Any water customers classified in Section A, B, or C, outside the City limits, shall be charged a Monthly Service fee as follows:

Meter Size	Present Fee (Effective 09/30/2007)	Previous Fee (Effective 09/30/2006)
3/4"	\$41.90	\$35.90
1"	47.20	40.42
1 1/2"	91.10	78.04
2"	107.60	92.18
3"	384.10	329.10
4"	500.10	428.46
6"	1,000.10	856.92
8"	1,600.20	1,371.08
10"	2,299.20	1,970.92
12"	2,757.10	2,362.32

All consumption shall be charged at the rate of \$2.62 per 100 cubic feet (effective 09-30-2007).

Reconnection Fees (effective 09-30-2005)

A \$35.00 reconnection fee shall be charged for reconnection of service.

Water Tap Fees

After application is made to the Utilities Collections Department it will be approved by the Public Works Division. The water tap fees are as follows:

<u>Size</u>		<u>Present Rates</u> <u>Effective 09/30/2007</u>	<u>Previous Rates</u> <u>Effective 09/30/2005</u>
3/4	Inch Tap	\$ 425.00	\$ 375.00
1	Inch Tap	500.00	425.00
1 1/2	Inch Tap	900.00	850.00
Over 1 1/2	Inch Tap	(To be determined by Utility Director)	(To be determined by Utility Director)

Fire Hydrant Meters (effective 09-30-2007)

Base Fee: \$62.85 per month or fraction of a month for each use. All consumption shall be charged a rate of \$2.02 per 100 cubic feet.

TABLE 17 – MONTHLY SEWER RATES

<u>Classification</u>	800 Cubic Feet or Less Average Water Consumption (for months of December, January and February)	
	Present Rate	Previous Rate
	(Effective 09/30/2007)	(Effective 09/30/2006)
Residential and Commercial (Minimum)	\$21.92	\$21.20
Multi-Family Residence:		
Multi-Family Residence (Minimum)	\$37.05	\$35.86
Multi-Family (10 units and over)	\$54.40	\$52.68

All over 800 cubic feet shall be charged at a rate of \$2.74 for each 100 cubic feet.

Any sewer customers, outside the City limits, shall be charged at a rate twice that for inside City limits.

Industrial: Sewer rates are calculated monthly based on actual volume and strength of wastewater discharge:

<u>Charge Component</u>	Present Rate (Effective 09/30/2007)	Previous Rate (Effective 09/30/2006)
Biochemical Oxygen Demand (BOD) (per pound)	N/A	N/A
Total Suspended Solids (TSS) (per pound)	N/A	N/A
Sewage Volume (per 100 cubic feet)	\$2.7400	\$2.6500
<u>Surcharge Rates</u>		
Per lb. of BOD above 220 milligrams/liter	\$0.7502	\$0.7262
Per lb. of Tss above 240 milligrams/liter	\$0.4202	\$0.4068

In addition to the volume fee, industrial customers that are provided with a sewer meter shall be charged a monthly meter fee as follows:

<u>Meter Size</u>		<u>Monthly Meter Fee</u>
3 - 4	Inch Tap	\$155.00
6	Inch Tap	\$210.00

Sewer Tap Fees (Effective 09-30-2007)

After application is made to the Utility Collections Department it will be approved by the Public Works Division. The sewer tap fees are as follows:

<u>Size</u>		<u>Fee</u>
4	Inch Tap	\$400.00
6	Inch Tap	\$500.00

All liquid waste disposed at the wastewater treatment plant will be charged at the rate of \$0.30 per gallon.

CITY OF EARLY
(SEWER SERVICE CONTRACT FOR WASTEWATER TREATMENT)

	<u>Present Rate</u>
Volume Charge for Wastewater Discharged into the Brownwood System*	\$2.74/1,000 gallons

* The City of Early has no industrial customers discharging wastewater, but, in the event such a customer is acquired, has agreed to:

TABLE 18 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

Revenues	Fiscal Year Ending September 30,				
	2008	2007	2006	2005	2004
Water and Sewer Revenue	\$ 9,080,300	\$ 8,112,929	\$ 8,136,197	\$ 6,914,492	\$ 6,204,482
Other Revenue	57,337	55,138	49,825	34,103	28,318
Operating Revenue	\$ 9,137,637	\$ 8,168,067	\$ 8,186,022	\$ 6,948,595	\$ 6,232,800
Non Operating Revenue	515,972	-	825,664	45,890	36,648
Gross Revenues	\$ 9,653,609	\$ 8,168,067	\$ 9,011,686	\$ 6,994,485	\$ 6,269,448
Operating Expense⁽¹⁾					
Water System	\$ 4,245,035	\$ 2,983,169	\$ 3,282,338	\$ 2,802,339	\$ 2,602,890
Sewer System	2,457,728	2,247,053	2,340,407	2,249,584	1,758,926
Other Expense	132,097	-	75,766	125,709	-
Total Operating Expense	\$ 6,834,860	\$ 5,230,222	\$ 5,698,511	\$ 5,177,632	\$ 4,361,816
Net Revenues	\$ 2,818,749	\$ 2,937,845	\$ 3,313,175	\$ 1,816,853	\$ 1,907,632
Water Customers	7,319	7,292	7,329	7,408	7,351
Sewer Customers	6,936	6,915	6,960	7,385	7,320

(1) Operating Expense excludes depreciation, debt service and capital expenditures.

RULE 15c2-12 FILING COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board (MSRB), Nationally Recognized Municipal Securities Information Repositories (NRMSIRs), and any applicable State Information Depository (SIDs) pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of Brownwood, Texas

Issue(s):

- \$ 6,925,000 Combination Tax and Revenue Certificates of Obligation, Series 2000
- \$ 2,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2002
- \$ 3,815,000 Combination Tax and Revenue Refunding Bonds, Series 2003
- \$ 2,375,000 Combination Tax and Revenue Certificates of Obligation, Series 2003
- \$ 6,335,000 Combination Tax and Revenue Certificates of Obligation, Series 2004
- \$ 1,995,000 Combination Tax & Revenue Certificates of Obligation, Series 2005
- \$ 6,000,000 Combination Tax & Revenue Refunding Bonds, Series 2005

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 (Financial information should not be filed with the MSRB)

- Annual Financial Report or CAFR
- Financial Information & Operating Data
- Other (describe)

Fiscal Period Covered: FYE 2008

Monthly Quarterly Annual Other:

* * *

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

Signature: /s/ Walter Middleton

Name: Walter Middleton Title: Director of Finance

Employer: City of Brownwood, Texas

Voice Telephone Number: (325) 646-5775

Email Address: wmiddleton@ci.brownwood.tx.us

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Combination Tax and Revenue Certificates of Obligation, Series 2000

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/10	\$ 350,000	116583 HF5
03/15/11	360,000	116583 HG3
03/15/12	375,000	116583 HH1
03/15/13	395,000	116583 HJ7
03/15/14	410,000	116583 HK4
03/15/15	430,000	116583 HL2
03/15/16	445,000	116583 HM0
03/15/17	470,000	116583 HN8
03/15/18	490,000	116583 HP3
03/15/19	510,000	116583 HQ1
03/15/20	535,000	116583 HR9
03/15/21	560,000	116583 HS7
	<u>\$ 5,330,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2002

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/10	\$ 90,000	116583 JA4
03/15/11	95,000	116583 JB2
03/15/12	105,000	116583 JC0
03/15/13	110,000	116583 JD8
03/15/14	115,000	116583 JE6
03/15/15	120,000	116583 JF3
03/15/16	130,000	116583 JG1
03/15/17	135,000	116583 JH9
03/15/18	145,000	116583 JJ5
03/15/19	150,000	116583 JK2
03/15/21	330,000	116583 JL0
	<u>\$ 1,525,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2003

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/12	\$ 480,000	116583 KE4
03/15/13	175,000	116583 KF1
03/15/16	560,000	116583 KJ3
03/15/18	410,000	116583 KL8
	<u>\$ 1,625,000</u>	

Combination Tax and Revenue Refunding Bonds, Series 2003

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
09/01/09	\$ 430,000	116583 JS5
09/01/10	445,000	116583 JT3
09/01/11	460,000	116583 JU0
09/01/12	475,000	116583 JV8
	<u>\$ 1,810,000</u>	

Combination Tax and Revenue Certificates of Obligation, Series 2004

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/10	\$ 260,000	116583 KR5
03/15/11	265,000	116583 KS3
03/15/12	275,000	116583 KT1
03/15/13	285,000	116583 KU8
03/15/14	290,000	116583 KV6
03/15/15	300,000	116583 KW4
03/15/16	310,000	116583 KX2
03/15/17	320,000	116583 KY0
03/15/18	330,000	116583 KZ7
03/15/19	345,000	116583 LA1
03/15/20	355,000	116583 LB9
03/15/21	370,000	116583 LC7
03/15/22	385,000	116583 LD5
03/15/23	400,000	116583 LE3
03/15/24	415,000	116583 LF0
03/15/25	435,000	116583 LG8
	<u>\$ 5,340,000</u>	

Combination Tax & Revenue Certificates of Obligation, Series 2005

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/10	\$ 75,000	116583 LL7
03/15/11	75,000	116583 LM5
03/15/12	80,000	116583 LN3
03/15/13	85,000	116583 LP8
03/15/14	85,000	116583 LQ6
03/15/15	90,000	116583 LR4
03/15/17	200,000	116583 LT0
03/15/21	430,000	116583 LX1
03/15/23	250,000	116583 LZ6
03/15/26	420,000	116583 MC6
	<u>\$ 1,790,000</u>	

Combination Tax & Revenue Refunding Bonds, Series 2005

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/10	\$ 740,000	116583 MH5
03/15/11	725,000	116583 MJ1
03/15/12	715,000	116583 MK8
03/15/13	700,000	116583 ML6
03/15/14	485,000	116583 MM4
03/15/15	180,000	116583 MN2
	<u>\$ 3,545,000</u>	