

**Supplementary
Information**

City of Clearwater, Florida
Continuing Disclosure – Gas System Revenue Bonds
Series 1997A&B, 1998, 2004, and 2005
Supplementary Information

The System:

Rates, Fees and Charges

The City Commission has established a schedule of rates and charges by ordinance, which includes a purchased gas cost adjustment provision allowing the City to pass-through to customers any increase or decrease in the purchased price of gas. The City is not subject to regulation by any State agency in establishing or revising its rates. Where competitive fuel sources or transportation service are available to the customer, the City Council has authorized the City Manager to enter into contract gas service rates at special rates and/or conditions as required to obtain/retain the customer load. Such contract service must meet the normal construction feasibility formula to insure profitable payback to the City. As of September 30, 2005, contract rates applied to 810 customer accounts and impacted 34.51% of total revenues.

The rates charged by the System through September 30, 1996, were part of the Phase I Gas Rate Case implemented October 1, 1995, which was based on a comprehensive cost of service study performed by the Utility Advisory Services Group of the international accounting firm of Coopers & Lybrand, LLP (the "Rate Study"). This Phase I implementation resulted in an extensive overhaul of the Gas System customer rates, providing numerous classes of service and a modernized billing methodology.

The new rates, effective October 1, 1996, were designed to be industry-based and responsive to the competitive energy challenges. The goal of the Rate Study was to establish rates which would be fair to all classes of customers, provide funding to implement planned expansion in both existing northern Pinellas County services area and into the newly acquired southwestern Pasco service area, and provide an adequate growth potential in return to the City of Clearwater to further offset the ad valorem tax rates (current impact is about 0.5 mills).

As the result of experiences during the first seven months of the Phase I implementation, adjustments made to the Phase II rates were implemented October 1, 1996 and additional adjustments (Phase III) were implemented effective October 1, 1997. The total projected impact of both new phases of the rate case is \$1.05 million or less than 7.9% of total gas sales revenues.

The rate ordinance containing the Phase II and Phase III rate changes was approved by the City Commission on June 6, 1996.

Gas rates for customer charges were increased effective April 1, 2005. The total estimated annual impact of this rate increase is \$373,352.

City of Clearwater, Florida
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**CLEARWATER GAS SYSTEM
 NATURAL GAS RATE BILLING FACTORS
 FOR SEPTEMBER 1, 2005 - SEPTEMBER 30, 2005 BASED ON APPROVED GAS ADJUSTMENT FACTORS**

	Firm Natural Gas Rate Schedules											Interr. NG Rate IS	Contract NG Rate CNS				
	RS	SME	MME	LME	SGS	MGS	LGS	RAC	GAC	LAC	SL			SI w/M& Relight	NGV	NSS	
Applicable Annual Therm Range or Other Rate Determinant	NA (1 - 3 Units)	NA (4 + Units)	NA (4 + Units)	NA (4 + Units)	0 - 17,999	18,000- 99,999	100,000 & up	NA (1 - 3 Units)	NA (0 - 149 tons)	NA (150 tons & +)	NA	NA	NA	NA	100,000 & up	NA	
Monthly Customer Charge (For Central Pasco Territory)	\$8.00 (\$12.00)	\$30.00 (\$50.00)	\$30.00 (\$50.00)	\$75.00 (\$125.00)	\$20.00 (\$30.00)	\$30.00 (\$50.00)	\$75.00 (\$125.00)	\$8.00 (\$12.00)	\$20.00 (\$30.00)	\$30.00 (\$50.00)	\$20.00 (\$30.00)	\$20.00 (\$30.00)	\$8 Res/\$20 GS (\$12 Res/\$30 GS)	\$50.00 (\$75.00)	\$150.00 (\$250.00)	By Contract	
Non-Fuel Energy Charge/Therm																	
Non-Fuel Energy Charge	\$0.580	\$0.580	\$0.580	\$0.580	\$0.470	\$0.410	\$0.350	\$0.200	\$0.150	\$0.100	\$0.200	\$0.300	\$0.100	\$0.470	\$0.280	By Contract	
Energy Conservation Adj. (ECA)	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	0.140	NA	NA	
Environmental Imposition Adj. (EIA)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	NA	NA	
Weather Normalization Adj. (WNA)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Non-Fuel Energy Charge	\$0.740	\$0.740	\$0.740	\$0.740	\$0.630	\$0.570	\$0.510	\$0.360	\$0.310	\$0.260	\$0.360	\$0.460	\$0.260	\$0.630	\$0.280	Contract + \$0.000	
Purchased Gas Adjustment (PGA)	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.230	1.160	Plus 1.160	
Total Energy Charge/Therm	\$1.970	\$1.970	\$1.970	\$1.970	\$1.860	\$1.800	\$1.740	\$1.590	\$1.540	\$1.490	\$1.590	\$1.690	\$1.490	\$1.860	\$1.440	\$1.160 + Non-Fuel	
Minimum Monthly Bill (For Central Pasco Territory)	\$8.00 (\$12.00)	\$30.00 (\$50.00)	\$30.00 (\$50.00)	\$75.00 (\$125.00)	\$20.00 (\$30.00)	\$30.00 (\$50.00)	\$75.00 (\$125.00)	\$8.00 (\$12.00)	\$20.00 (\$30.00)	\$30.00 (\$50.00)	\$20.00 (\$30.00)	\$20.00 (\$30.00)	\$8 Res/\$20 GS (\$12 Res/\$30 GS)	\$50.00 (\$75.00)	\$150.00 (\$250.00)	Customer Charge + Non-Fuel Therm	
Compares to LP/Gallon Rate of with 6.0% Franchise	\$ 1,803 \$ 1,911 \$ 1,803 \$ 1,803 \$ 1,803 \$ 1,702 \$ 1,804 \$ 1,746 \$ 1,592 \$ 1,455 \$ 1,409 \$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,911 \$ 1,911 \$ 1,911 \$ 1,911 \$ 1,911 \$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,803 \$ 1,803 \$ 1,803 \$ 1,803 \$ 1,803 \$ 1,702 \$ 1,804 \$ 1,746 \$ 1,592 \$ 1,455 \$ 1,409 \$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,803 \$ 1,803 \$ 1,803 \$ 1,803 \$ 1,803 \$ 1,702 \$ 1,804 \$ 1,746 \$ 1,592 \$ 1,455 \$ 1,409 \$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,702 \$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,702 \$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,455 \$ 1,409 \$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,409 \$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,455 \$ 1,546 \$	\$ 1,363 \$ 1,455 \$ 1,546 \$	\$ 1,445 \$ 1,546 \$ 1,639 \$	\$ 1,804 \$ 1,911 \$ 1,804 \$ 1,804 \$ 1,804 \$ 1,702 \$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,702 \$ 1,804 \$ 1,746 \$ 1,688 \$ 1,542 \$ 1,494 \$ 1,445 \$ 1,542 \$ 1,639 \$	\$ 1,318 \$ 1,397
Change from 10/03 Therm Rate % Change from 10/03 Therm Rate	\$0.440 28.8%	\$0.440 28.8%	\$0.440 28.8%	\$0.440 28.8%	\$0.440 31.0%	\$0.440 32.4%	\$0.440 33.8%	\$0.440 38.3%	\$0.440 40.0%	\$0.440 41.9%	\$0.440 38.3%	\$0.440 35.2%	\$0.440 41.9%	\$0.440 31.0%	\$0.380 35.8%	\$0.380 48.7%	
Utility Tax Note:																	
Fuel Rate per Therm 10/01/73	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.069	\$0.055	\$0.069	
Non-Utility Taxable Fuel/Therm	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.161	\$1.105	\$1.091	
BTU FACTOR = THERMS/100 CUBIC FEET (CCE)																	
Firm Service Rates	10/04	11/04	12/04	01/05	02/05	03/05	04/05	05/05	06/05	07/05	08/05	09/05					
Interruptible Service Rates	1.054	1.057	1.056	1.051	1.053	1.053	1.051	1.051	1.050	1.049	1.055	1.059					
	1.034	1.036	1.036	1.030	1.032	1.032	1.030	1.031	1.029	1.029	1.034	1.038					

**City of Clearwater, Florida
Continuing Disclosure - Gas System Revenue Bonds
Series 1997A&B, 1998, 2004, and 2005
Supplementary Information**

GAS SUPPLY

On August 1, 1990, the Federal Energy Regulatory Commission (FERC) deregulated the natural gas pipeline industry. This allows other natural gas suppliers and local distribution companies, like the City of Clearwater, to transport gas over the Florida Gas Transmission (FGT) pipelines as opposed to purchasing natural gas supply from only FGT.

The two natural gas transmission companies that serve within the State of Florida are Florida Gas Transmission (FGT) and Gulfstream. Currently FGT is the sole provider of transportation service to the City. Citrus Corp, which is equally owned by Cross Country Energy Corp AND Southern Natural, an El Paso Corporation Affiliate, owns FGT. Cross Country Energy Corp is a newly formed holding company that holds Enron Corp interests and operates three major North American natural gas pipeline businesses.

The City joined Florida Gas Utility (FGU) in October 2000 by Resolution 00-35. FGU is responsible for the purchase & management of the City's natural gas supply. An updated All Requirements Gas Service Agreement, which was approved by Resolution 02-02 in January 2002, required the City to purchase 100% of its supply through FGU. FGU was formed through an Interlocal Agreement among its members. The Interlocal Agreement became effective on September 1, 1989 and consisted of five municipal utilities. Over the next several years, additional electric and gas distribution utilities joined FGU, bringing its current membership to 23 entities.

In addition, the City has entered into a Gas Supply & Transportation Agreement with Peoples Gas System (PGS), dated 12/2/04, to purchase natural gas in order to serve customers located in our Central Pasco territory, generally east of the Suncoast Parkway in Pasco County. The City has received a letter from FGU Council dated 8/31/04 granting the City permission to utilize Teco Peoples Gas as a third party gas supplier since FGU is unable and unwilling to provide gas to the City within the meaning of the provisions of Section 3 (a)(i) and (ii) of the ALL Requirements Gas Service Agreement between the City and FGU.

The City has two Firm Transportation Service agreements (FTS-1 & FTS-2) with FGT in order to deliver natural gas to the City's four gate stations. FGU is currently managing our Phase II (FTS-1) and Phase III (FTS-2) transportation capacity on a daily basis. Table 1 shows the breakdown of our annual gas supply entitlements with FGT. The total annual entitlement is 3,212,226 Dth's of natural gas transportation.

Table 1 Breakdown of Transportation Capacity

Contract period	Phase II (FTS-1) MMBtu per day 10/1/93 - 1/31/07	Phase III (FTS-2) MMBtu per day 12/9/91 - 2/28/15	Total MMBtu per day
October	170,438	41,788	212,226
Nov-Mar	1,543,069	268,931	1,812,000
April	216,570	53,430	270,000
May-Sept	711,756	206,244	918,000
Total annual	2,641,833	570,393	3,212,226

City of Clearwater, Florida
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Service Area

The Clearwater Gas System (CGS) is owned and operated as an enterprise utility by the City of Clearwater. CGS operates over 753 miles of underground gas main and handles the supply and distribution of both natural and propane (LP) gas throughout northern Pinellas County and western Pasco County. As a “full service” gas utility, CGS provides gas appliance sales, service and repair (both commercial and residential), installation of customer gas piping, construction and maintenance of underground gas mains and service lines, and 24 hour response to any gas emergency call within the service area. CGS is regulated for safety by the Florida Public Service Commission and the Federal Department of Transportation.

CGS has been serving customers in the Clearwater area for over 83 years (since 1923) when operations were begun with a manufactured gas plant operation from coal and coke. In 1959, when natural gas transmission lines were finally extended to the Florida peninsula, CGS discontinued manufacturing gas and began receiving piped natural gas from Florida Gas Transmission.

Clearwater Gas System serves over 18,548 customers in a 330 square mile service territory, which includes 17 municipalities as well as the unincorporated areas of northern Pinellas County and western Pasco County. The Pinellas County service territory is 181 square miles and extends generally from Ulmerton and Walsingham Roads on the South to the Pasco County line on the North and from the Gulf of Mexico on the West to the Hillsborough County line on the East. This includes all of the Pinellas beach communities south to Redington Beach. The Pasco County service territory is 117 square miles and extends from the Gulf of Mexico on the West inland about 10 miles to just West of State Road 41 and Land O’ Lakes (generally along the right-of-way of the Suncoast Parkway) and from the Pinellas and Hillsborough County lines on the South to generally State Road 52 on the North. The CGS service territory extends 42.3 miles from the southernmost to the northernmost points.

Clearwater Gas System prides itself in being a competitive and public service-minded utility, providing safe, economical and environmentally-friendly gas, which is made in America, available in our communities for all of the homes and businesses in our service area, with special focus on the residential customers who make up over 88.15% of our customer base.

City of Clearwater, Florida
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As of September 30, 2005 the System's active natural gas customers were located as shown in the following table:

<u>Location</u>	<u>Meters</u>	<u>Percentage</u>
Belleair	369	2.24%
Belleair Beach	114	0.69%
Belleair Bluffs	20	0.12%
Belleair Shores	17	0.10%
Clearwater	6,758	41.05%
Dunedin	1,016	6.17%
Indian Rocks Beach	72	0.44%
Indian Shores	53	0.32%
Largo	999	6.07%
New Port Richey	316	1.92%
North Redington Beach	9	0.05%
Oldsmar	56	0.34%
Port Richey	13	0.08%
Redington Beach	11	0.07%
Redington Shores	9	0.05%
Safety Harbor	590	3.58%
Tarpon Springs	1,347	8.18%
Unincorporated Areas Pasco	2,026	12.31%
Unincorporated Areas Pinellas	2,669	16.21%
Total	<u>16,464</u>	<u>100.00%</u>

The following table shows the five largest interruptible customers by peak monthly consumption and the percent of the System's revenues derived from such customers during the 12 months ending September 30, 2005:

<u>Customer Name</u>	<u>Peak Monthly Therms</u>	<u>% of Gross Revenues</u>
Angelica Textile Service	95,369	2.47%
Metal Industries, Inc.	81,767	1.94%
Morton Plant Hospital	84,010	1.52%
Mease Hospital	84,512	1.42%
HCA Columbia Hospital	23,000	0.99%

The following table shows the breakdown of the System's customers by category as well as the volume of gas sold and the sales revenues generated by each category for the year ended September 30, 2005

	<u>Average No. Customers</u>	<u>Gas Volume</u>	<u>Gas Sales</u>
Interruptible	14	22.13%	11.88%
Residential	14,348	15.67%	23.81%
Commercial	2,102	62.21%	64.31%
		<u>Therms</u>	<u>Revenues</u>
Interruptible		4,802,949	\$ 3,705,517
Residential		3,401,002	7,424,080
Commercial		13,503,854	20,055,372
Totals		<u>21,707,805</u>	<u>\$ 31,184,969</u>

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Refunding Revenue Bonds
Series 1998 and 2003; and Revenue Bonds Series 2002
Supplementary Information

Historical Financial Information

Water System:

Source and Volume of Water Pumped
(in million gallons per day, averaged over the Fiscal Year)

<u>FY</u>	<u>City Wells</u>	<u>County</u>	<u>Total</u>
2000	3.047	11.528	14.575
2001	3.067	11.260	14.327
2002	2.258	11.739	13.997
2003	3.927	8.916	12.843
2004	3.601	9.544	13.145
2005	3.550	10.630	14.180

Historical Growth in Number of Water Customers
(all figures are as of September of the year indicated)

<u>Year</u>	<u>Water Customers</u>
2000	39,562
2001	40,167
2002	40,340
2003	40,227
2004	40,235
2005	40,178

Ten Largest Water Customers
Fiscal Year Ending September 30, 2005

<u>Name of User</u>	<u>Water Used</u> <u>(in 100 Cubic Feet)</u>	<u>Revenues</u> <u>Produced</u>
1. Church of Scientology FSO Inc.	108,533	\$ 364,127
2. Morton Plant Hospital	80,889	309,050
3. Pinellas County Schools	48,091	282,809
4. Clearwater Housing Authority	47,405	160,574
5. Sheraton Sand Key	40,303	129,972
6. City of Clearwater	18,830	126,257
7. United Dominion Realty Trust	40,137	120,352
8. Kings Savannah Trace	31,610	104,176
9. AGH Leasing L/P	34,227	100,241
10. Ultimar Condo Association	<u>25,829</u>	<u>95,347</u>
Total	<u>475,854</u>	<u>\$ 1,792,905</u>

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Refunding Revenue Bonds
Series 1998 and 2003; and Revenue Bonds Series 2002
Supplementary Information

Sewer System:

Average Sewage Flow (as of September of the year indicated)		Historical Growth in Number of Sewer Customers	
<u>Fiscal Year</u>	<u>Annual Ave. Daily Flow In MGD</u>	<u>Fiscal Year</u>	<u>Sewer Customers</u>
2000	15.4	2000	33,075
2001	14.4	2001	32,933
2002	14.3	2002	33,215
2003	16.2	2003	33,215
2004	15.0	2004	33,234
2005	14.7	2005	33,305

Ten Largest Sewer Customers
Fiscal Year Ending September 30, 2005

<u>Name of User</u>	<u>Sewer Used (in 100 Cubic Feet)</u>	<u>Revenues Produced</u>
1. Morton Plant Hospital	78,884	\$ 348,768
2. Church of Scientology	90,098	343,993
3. Pinellas County Schools	43,139	304,165
4. United Dominion Realty Trust	40,137	154,550
5. Clearwater Housing Authority	40,993	148,411
6. AGH Leasing L/P	34,227	128,720
7. Sheraton Sand Key	33,295	123,925
8. King's Savannah Trace	31,610	114,404
9. Lake Starcrest	21,529	77,856
10. City of Clearwater	<u>8,691</u>	<u>76,376</u>
Total	<u>422,603</u>	<u>\$1,821,168</u>

Rates, Fees And Charges

The City uses a three-tiered rate structure for water and sewer usage. The base rate includes a minimum usage for residential and nonresidential water rates. Any usage over the minimum is billed at one rate per 100 cubic feet up to a designated level and at a second rate for usage over that level. For irrigation, there is a base rate, with no minimum, and a charge per 100 cubic feet of water usage up to a designated level and a higher charge for usage over that amount. The sewer base rate includes a minimum usage and a fixed charge per 100 cubic feet of water usage over the basic allowance. The minimum usage and second tier usage level vary with the size of the meters. For fiscal year 2005 there were no changes to the three-tiered rate structure for water or sewer usage. Effective October 1, 2000 the basis for billing was converted from cubic feet to gallons.

City of Clearwater, Florida
Continuing Disclosure – Water and Sewer Refunding Revenue Bonds
Series 1998 and 2003; and Revenue Bonds Series 2002
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<u>Residential and Nonresidential Water Rates</u>		October 1, <u>2001</u>	October 1, <u>2002</u>	October 1, <u>2003</u>	October 1, <u>2004</u>	October 1, <u>2005</u>
<u>Size of Meter</u>		<u>Cubic Feet</u>			<u>Gallons</u>	
Minimum-	Under 1 inch	8.07	8.64	9.90	10.59	11.34
	1 inch	18.83	20.16	23.10	24.71	26.46
	1.5 inch	269.00	288.00	330.00	353.00	378.00
	2 inch	626.77	671.04	768.90	822.49	880.74
	3 or 2 inch manifold	965.71	1,033.92	1,184.70	1,267.27	1,357.02
	4 inch	1,858.79	1,990.08	2,280.30	2,439.23	2,611.98
	6 inch	4,774.75	5,112.00	5,857.50	6,265.75	6,709.50
	8 inch	8,070.00	8,640.00	9,900.00	10,590.00	11,340.00

Additional charges are assessed for cubic feet of usage in excess of designated minimums.

<u>Rates for Irrigation (Lawn) Meters</u>		October 1, <u>2001</u>	October 1, <u>2002</u>	October 1, <u>2003</u>	October 1, <u>2004</u>	October 1, <u>2005</u>
<u>Size of Meter</u>		<u>Cubic Feet</u>			<u>Gallons</u>	
Minimum-	Under 1 inch	2.88	3.08	3.53	3.78	4.04
	1 inch	8.64	9.24	10.59	11.34	12.13
	1.5 inch	43.20	46.20	52.95	56.70	60.67
	2 inch	120.96	129.36	148.26	158.76	169.87
	3 or 2 inch manifold	239.04	255.64	292.99	313.74	335.70
	4 inch	460.80	492.80	564.80	604.80	647.14
	6 inch	1,391.04	1,487.64	1,704.99	1,825.74	1,953.54

<u>Sewer Rates</u>		October 1, <u>2001</u>	October 1, <u>2002</u>	October 1, <u>2003</u>	October 1, <u>2004</u>	October 1, <u>2005</u>
<u>Size of Meter</u>		<u>Cubic Feet</u>			<u>Gallons</u>	
Minimum-	Under 1 inch	11.10	11.88	13.62	14.58	15.60
	1 inch	25.90	27.72	31.78	34.02	36.40
	1.5 inch	370.00	396.00	454.00	486.00	520.00
	2 inch	862.10	922.68	1,057.82	1,132.38	1,211.60
	3 or 2 inch manifold	1,328.30	1,421.64	1,629.86	1,744.74	1,866.80
	4 inch	2,556.70	2,736.36	3,137.14	3,358.26	3,593.20
	6 inch	6,567.50	7,029.00	8,058.50	8,626.50	9,230.00
	8 inch	11,100.00	11,880.00	13,620.00	14,580.00	15,600.00
Per 100 cubic feet of water used over that allowed in minimum		3.70	3.96	4.54	4.86	5.20

Additional Indebtedness

Additional indebtedness incurred totaled \$518,736 for the lease purchase of capital equipment.

City of Clearwater, Florida
Continuing Disclosure – Stormwater System Revenue Bonds
Series 1999, 2002, 2004, and 2005
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Rates, Fees, and Charges

The City uses a measurement of one equivalent residential unit or ERU as the basis for the stormwater management utility fee. The rate per ERU was unchanged from the inception of the utility on January 1, 1991 until 1998 when annual increases were adopted for five fiscal years beginning October 1, 1998. In November 2001, additional increases were adopted including a change to the increase previously adopted, to be effective October 1, 2002. Effective August 5, 2004, additional increases were adopted. The monthly rates are as follows:

<u>Effective Date</u>	<u>Rate Per ERU</u>
January 1, 1991	\$3.00
October 1, 1998	\$4.00
October 1, 1999	\$4.17
October 1, 2000	\$4.35
October 1, 2001	\$4.54
January 1, 2002	\$6.13
October 1, 2002	\$7.16
October 1, 2003	\$8.01
October 1, 2004	\$8.65
October 1, 2005	\$9.35
October 1, 2006	\$9.63
October 1, 2007	\$9.92
October 1, 2008	\$10.22

Single-family homes, multifamily units, condominium units, apartments and mobile homes are rated as one ERU per dwelling unit. Nonresidential property is charged at the rate of 1,830 square feet of impervious area per ERU.

HISTORICAL NET REVENUES

	<u>Fiscal Years Ended September 30,</u>				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net Operating Revenues (Excluding Depreciation)	\$1,433,541	\$2,793,204	\$3,726,983	\$3,566,465	\$4,548,421
Interest Income and other Non-Operating Revenues (Expenses)	281,471	95,305	206,202	190,579	220,570
Total Net Revenues	<u>\$1,715,012</u>	<u>\$2,888,509</u>	<u>\$3,933,185</u>	<u>\$3,757,044</u>	<u>\$4,768,991</u>
Maximum Annual Debt Service Coverage	\$520,974	\$2,052,538	\$2,052,538	\$2,913,506	\$2,889,997
	3.29	1.41	1.92	1.29	1.65

City of Clearwater, Florida
Continuing Disclosure – Infrastructure Sales Tax
Revenue Bonds, Series 2001
Supplementary Information

Historical Debt Service Coverage

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Sales tax revenues (1)	\$ 8,339,694	\$ 8,457,553	\$ 8,661,615	\$ 9,119,913
Maximum annual debt service	\$ 7,083,688	\$ 7,083,688	\$ 7,049,688	\$ 7,028,888
Debt service coverage	1.18	1.19	1.23	1.30

(1) The Infrastructure Sales Tax Revenue Bonds, Series 2001, were issued June 1, 2001 in the amount of \$46,445,000. They are secured by a lien upon and a pledge of the City's share of the proceeds derived by Pinellas County, Florida from the levy and collection of the one-cent discretionary infrastructure sales tax pursuant to Section 212.055(2), Florida Statutes, as amended (sales tax revenues).

City of Clearwater, Florida
Continuing Disclosure – Improvement Revenue
Refunding Bonds, Series 2001
Supplementary Information

Historical Debt Service Coverage

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Pledged Revenues (1)	\$ 15,486,388	\$ 18,272,521	\$ 17,381,418	\$ 17,026,827
Maximum annual debt service	\$ 866,760	\$ 866,760	\$ 865,310	\$ 865,310
Debt service coverage	17.87	21.08	20.09	19.68

(1) The Improvement Revenue Refunding Bonds, Series 2001, were issued October 15, 2001 in the amount of \$11,470,000. They were secured by a lien upon and a pledge of the Public Service Tax pursuant to Section 166.231, Florida Statutes as amended. Effective October 1, 2001, the Florida Legislature repealed the public service tax on telecommunications created per Section 166.231(9), Florida Statutes, and created a simplified tax structure for communications services pursuant to Chapter 2000-260, Laws of Florida. To the extent that the Public Service Tax receipts derived by the City pursuant to Section 166.231(9), Florida Statutes, is eliminated as a result of this new tax, all of the revenues received by the City pursuant to the new Communications Services Tax shall be deemed to replace the Public Service Tax receipts so eliminated. Consequently the pledged revenues include both public service taxes and communications services taxes effective October 1, 2001.

**City of Clearwater, Florida
Fire Services Program
Supplementary Information**

Pursuant to agreements between the City of Clearwater, the Pinellas County Fire Authority and the Pinellas County Emergency Medical Services Authority, the City has provided fire and emergency medical services to the respective authorities. With respect to fire services, the services are provided for the benefit of properties located outside the corporate limits of the City, but within a designated service area. Emergency medical services are provided for the benefit of persons residing both inside and outside the corporate limits of the City, based on the Authority's nearest unit dispatch policy.

With respect to the Fire Services Program, a budget was prepared by Fire Department personnel covering proposed expenditures for fiscal year ending September 30, 2005, for the Fire Department as a whole. Since the funding for the Emergency Medical Services Program is based on the level fixed in prior years, the Fire Services Program budget is essentially the residual obtained by deducting the approved level of funding for the Emergency Medical Services Program from the budgeted amounts included in the total Fire Department budget. This budget was submitted to, and duly approved by, the relevant Authority prior to the commencement of the fiscal year. Income received from Pinellas County Fire Protection Authority and valid program expenditures for the Fire Services Program for the fiscal year ended September 30, 2005 are summarized below.

Total Revenue Received from Pinellas County Fire Protection Authority	<u>\$ 1,835,528</u>
Total Fire Service Expenditures for Fiscal Year Ended September 30, 2005	<u>\$ 15,655,262</u>

The Fire Services Program does not currently utilize an equipment reserve.