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SOURCES AND USES OF FUNDS

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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PRELIMINARY NUMBERS

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Dated Date           01/06/2012  
Delivery Date       01/06/2012

Sources:

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Bond Proceeds:	
Par Amount	6,400,000.00
Other Sources of Funds:	
Cash Contribution	405,295.00
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	6,805,295.00
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Uses:

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Project Fund Deposits:	
Project Fund	6,200,000.00
Other Fund Deposits:	
Reserve Fund	550,295.00
Delivery Date Expenses:	
Cost of Issuance	55,000.00
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	6,805,295.00
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Note: \*Numbers for discussion purposes only

**BOND SUMMARY STATISTICS**

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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**PRELIMINARY NUMBERS**

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Dated Date	01/06/2012
Delivery Date	01/06/2012
First Coupon	04/01/2012
Last Maturity	10/01/2026
Arbitrage Yield	2.650287%
True Interest Cost (TIC)	2.650287%
Net Interest Cost (NIC)	2.650000%
All-In TIC	2.765223%
Average Coupon	2.650000%
Average Life (years)	8.658
Duration of Issue (years)	7.621
Par Amount	6,400,000.00
Bond Proceeds	6,400,000.00
Total Interest	1,468,394.44
Net Interest	1,468,394.44
Total Debt Service	7,868,394.44
Maximum Annual Debt Service	554,987.50
Average Annual Debt Service	533,953.25
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serials	6,400,000.00	100.000	2.650%	8.658	4,795.95
	6,400,000.00			8.658	4,795.95

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,400,000.00	6,400,000.00	6,400,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-55,000.00	
- Other Amounts			
Target Value	6,400,000.00	6,345,000.00	6,400,000.00
Target Date	01/06/2012	01/06/2012	01/06/2012
Yield	2.650287%	2.765223%	2.650287%

Note: \*Numbers for discussion purposes only

**BOND PRICING**

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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**PRELIMINARY NUMBERS**

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serials:	10/01/2012		2.650%	2.650%	100.000
	10/01/2013	385,000	2.650%	2.650%	100.000
	10/01/2014	395,000	2.650%	2.650%	100.000
	10/01/2015	405,000	2.650%	2.650%	100.000
	10/01/2016	415,000	2.650%	2.650%	100.000
	10/01/2017	425,000	2.650%	2.650%	100.000
	10/01/2018	435,000	2.650%	2.650%	100.000
	10/01/2019	450,000	2.650%	2.650%	100.000
	10/01/2020	460,000	2.650%	2.650%	100.000
	10/01/2021	470,000	2.650%	2.650%	100.000
	10/01/2022	485,000	2.650%	2.650%	100.000
	10/01/2023	500,000	2.650%	2.650%	100.000
	10/01/2024	510,000	2.650%	2.650%	100.000
	10/01/2025	525,000	2.650%	2.650%	100.000
	10/01/2026	540,000	2.650%	2.650%	100.000
		6,400,000			

Dated Date	01/06/2012	
Delivery Date	01/06/2012	
First Coupon	04/01/2012	
Par Amount	6,400,000.00	
Original Issue Discount		
Production	6,400,000.00	100.000000%
Underwriter's Discount		
Purchase Price	6,400,000.00	100.000000%
Accrued Interest		
Net Proceeds	6,400,000.00	

Note: \*Numbers for discussion purposes only

**BOND DEBT SERVICE**

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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**PRELIMINARY NUMBERS**

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Dated Date           01/06/2012  
Delivery Date       01/06/2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2012			40,044.44	40,044.44	
10/01/2012			84,800.00	84,800.00	124,844.44
04/01/2013			84,800.00	84,800.00	
10/01/2013	385,000	2.650%	84,800.00	469,800.00	554,600.00
04/01/2014			79,698.75	79,698.75	
10/01/2014	395,000	2.650%	79,698.75	474,698.75	554,397.50
04/01/2015			74,465.00	74,465.00	
10/01/2015	405,000	2.650%	74,465.00	479,465.00	553,930.00
04/01/2016			69,098.75	69,098.75	
10/01/2016	415,000	2.650%	69,098.75	484,098.75	553,197.50
04/01/2017			63,600.00	63,600.00	
10/01/2017	425,000	2.650%	63,600.00	488,600.00	552,200.00
04/01/2018			57,968.75	57,968.75	
10/01/2018	435,000	2.650%	57,968.75	492,968.75	550,937.50
04/01/2019			52,205.00	52,205.00	
10/01/2019	450,000	2.650%	52,205.00	502,205.00	554,410.00
04/01/2020			46,242.50	46,242.50	
10/01/2020	460,000	2.650%	46,242.50	506,242.50	552,485.00
04/01/2021			40,147.50	40,147.50	
10/01/2021	470,000	2.650%	40,147.50	510,147.50	550,295.00
04/01/2022			33,920.00	33,920.00	
10/01/2022	485,000	2.650%	33,920.00	518,920.00	552,840.00
04/01/2023			27,493.75	27,493.75	
10/01/2023	500,000	2.650%	27,493.75	527,493.75	554,987.50
04/01/2024			20,868.75	20,868.75	
10/01/2024	510,000	2.650%	20,868.75	530,868.75	551,737.50
04/01/2025			14,111.25	14,111.25	
10/01/2025	525,000	2.650%	14,111.25	539,111.25	553,222.50
04/01/2026			7,155.00	7,155.00	
10/01/2026	540,000	2.650%	7,155.00	547,155.00	554,310.00
	6,400,000		1,468,394.44	7,868,394.44	7,868,394.44

Note: \*Numbers for discussion purposes only

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BOND DEBT SERVICE

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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PRELIMINARY NUMBERS

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Dated Date           01/06/2012  
Delivery Date       01/06/2012

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2012			124,844.44	124,844.44
10/01/2013	385,000	2.650%	169,600.00	554,600.00
10/01/2014	395,000	2.650%	159,397.50	554,397.50
10/01/2015	405,000	2.650%	148,930.00	553,930.00
10/01/2016	415,000	2.650%	138,197.50	553,197.50
10/01/2017	425,000	2.650%	127,200.00	552,200.00
10/01/2018	435,000	2.650%	115,937.50	550,937.50
10/01/2019	450,000	2.650%	104,410.00	554,410.00
10/01/2020	460,000	2.650%	92,485.00	552,485.00
10/01/2021	470,000	2.650%	80,295.00	550,295.00
10/01/2022	485,000	2.650%	67,840.00	552,840.00
10/01/2023	500,000	2.650%	54,987.50	554,987.50
10/01/2024	510,000	2.650%	41,737.50	551,737.50
10/01/2025	525,000	2.650%	28,222.50	553,222.50
10/01/2026	540,000	2.650%	14,310.00	554,310.00
	6,400,000		1,468,394.44	7,868,394.44

Note: \*Numbers for discussion purposes only

AGGREGATE DEBT SERVICE

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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PRELIMINARY NUMBERS

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Period Ending	Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)	Series 2003	State Revolving Loan (Subordinate )	Aggregate Debt Service
10/01/2012	124,844.44	2,012,767.50	366,367	2,503,978.94
10/01/2013	554,600.00	2,013,317.50	366,367	2,934,284.50
10/01/2014	554,397.50	2,011,087.50	366,367	2,931,852.00
10/01/2015	553,930.00	2,016,537.50	366,367	2,936,834.50
10/01/2016	553,197.50	2,014,850.00	366,367	2,934,414.50
10/01/2017	552,200.00	2,010,012.50	366,367	2,928,579.50
10/01/2018	550,937.50	2,012,025.00	366,367	2,929,329.50
10/01/2019	554,410.00	2,015,362.50	366,367	2,936,139.50
10/01/2020	552,485.00	2,014,162.50	366,367	2,933,014.50
10/01/2021	550,295.00	2,020,412.50	366,367	2,937,074.50
10/01/2022	552,840.00	2,013,687.50	183,185	2,749,712.50
10/01/2023	554,987.50	2,009,412.50		2,564,400.00
10/01/2024	551,737.50	2,007,375.00		2,559,112.50
10/01/2025	553,222.50	2,010,156.26		2,563,378.76
10/01/2026	554,310.00	2,014,437.50		2,568,747.50
	7,868,394.44	30,195,603.76	3,846,855	41,910,853.20

Note: \*Numbers for discussion purposes only

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COST OF ISSUANCE

City of Key West, Florida  
Proposed Sewer System Revenue Bonds, Series 2011 (15-Year Financing)

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PRELIMINARY NUMBERS

BB&T 2.65% (1% Pre-Pay Premium if called before 4/1/2019)

Cost of Issuance	\$/1000	Amount
Bond Counsel	3.90625	25,000.00
Bond Counsel Expenses	0.70313	4,500.00
Financial Advisor	2.96875	19,000.00
Financial Advisor Expenses	0.15625	1,000.00
Bank Counsel	0.70313	4,500.00
Miscellaneous	0.15625	1,000.00
	8.59375	55,000.00

Note: \*Numbers for discussion purposes only