Town of Bristol, Indiana

Sewer Financial Model

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

EXECUTIVE SUMMARY

Year End Cash Summary

As of December 31, 2025, fund balances were $11.7 million, which was a decrease of $14.5 million from the end of 2024 primarily due to the spend down of bond proceeds. Excluding the Bond construction fund, funded balances increased by approximately $326,000 from 2024 levels. The fund balances were above recommended reserves by $290,000 as of December 31, 2025, as shown on page S - 2.

2025 Financial Summary and Budget Comparison

The Utility's operating receipts were $90,500 under budget in 2025, primarily due to the delay and reduction of the Phase II rate increase. Operating disbursements were $68,000 over budget, largely driven by higher costs for sludge hauling and purchased power.

Non-operating receipts exceeded budget by $887,000, mainly due to additional interest income from Bond proceeds and the sale of certain investments. Non-operating disbursements were $9,440,000 under budget, as capital spending was lower than anticipated, with the Commerce Drive Lift Station project still in progress.

Estimated Future Health

The most important component of a financial health check is evaluating the Utility's future outlook. Projected operating receipts are based on historical billing and flow information adjusted for the rate increases effective August 1, 2025 and May 1, 2026. Operating disbursements for 2026 are based on historical amounts, adjusted to exclude nonrecurring expenses, while projections for 2027 and beyond are based on 2026 levels with a 3% annual inflation factor applied. Schedules of capital improvements and debt service are provided on pages S - 5 through S - 7.

Based on these assumptions, the Utility is projected to maintain reserve levels above recommended thresholds over the next five years and generate sufficient debt service coverage.

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

COMPARISON OF FUND BALANCES WITH RECOMMENDED RESERVE AMOUNTS

Cash and Investments:	Account Balances 12/31/2025	Minimum Balance Required	Variance
Operation and maintenance fund (1)	$394,979	$119,241	$275,738
Sinking fund:			
Bond and interest account (2)	536,436	519,626	16,810
Debt service reserve account (3)	488,347	473,993	14,354
BONY Construction (4)	10,194,006	10,194,006	-
BAN/Construction (5)	1,500	1,500	-
Improvement Fund (6)	54,511	71,200	(16,689)
Totals	$11,669,779	$11,379,566	$290,213

(1) **Operation and Maintenance Fund:** Per Bond Ordinance No. 4/16/2024-7, Section 14 requires a balance sufficient to pay the expenses of operation, repair, and maintenance for the next succeeding two (2) calendar months to be maintained in this Fund.

Estimated operation and maintenance disbursements (page S - 3)	$715,300
Times factor for 2 months	16.67%
Required reserve	$119,241

(2) **Bond and Interest Account:** Per Bond Ordinance No. 4/16/2024-7, Section 15(b) requires an amount equal to 1/6th of the next interest and principal payments to be deposited into this account each month.

	Amount		Factor		Months	Total
2024 Bonds (Principal)	$1,000	x	1/6	x	6	$1,000
2024 Bonds (Interest)	518,626	x	1/6	x	6	518,626
Required reserve						$519,626

(3) **Debt Service Reserve Account:** Per Bond Ordinance No. 4/16/2024-7, Section 15(c) requires monthly transfers until the balance equals the maximum annual debt service on the outstanding bonds ($1,496,818). This will be fully funded May 31, 2029.

Required reserve	$473,993

(4) **BONY Construction Fund:** Monies are restricted for the project expenditures.

(5) **BAN/Construction Fund:** Monies are restricted for the project expenditures.

(6) **Improvement Fund:** Although not required, we recommend setting aside the annual average amount.

Recommended Reserve	$71,200

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(No assurance provided on this financial analysis)

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

ACTUAL AND ESTIMATED FUND RESULTS
Sewer Funds

Index		ACTUAL 2023	ACTUAL 2024	ACTUAL 2025	ESTIMATED 2026	ESTIMATED 2027	ESTIMATED 2028	ESTIMATED 2029	ESTIMATED 2030
					(---------- Rounded to the nearest $100	----------	----------	----------	----------)
1	Operating Receipts:								
2	Sewage Collections	$643,278	$1,053,240	$2,114,253	$2,430,800	$2,641,500	$2,641,500	$2,641,500	$2,641,500
3	Penalties	16,732	32,625	36,256	32,300	36,700	36,700	36,700	36,700
4	Total Operating Receipts	660,010	1,085,865	2,150,509	2,463,100	2,678,200	2,678,200	2,678,200	2,678,200
5									
6	Operating Disbursements:								
7	Personnel	237,999	261,065	233,171	241,600	248,900	256,400	264,100	272,100
8	Repairs and maintenance	54,055	64,990	54,862	59,700	61,500	63,300	65,200	67,200
9	Contractual services	116,363	119,867	188,641	145,900	150,300	154,800	159,400	164,200
10	Materials and supplies	89,775	83,742	95,852	98,800	101,800	104,900	108,000	111,200
11	Utilities	123,991	131,809	159,759	167,500	172,500	177,700	183,000	188,400
12	Other operating	544	1,806	2,906	1,800	1,900	2,000	2,100	2,200
13	Total Operating Disbursements	622,727	663,279	735,191	715,300	736,900	759,100	781,800	805,300
14									
15	Non-Operating Receipts (Disbursements):								
16	Tap Charges	1,200	14,101	13,910	-	-	-	-	-
17	Refunds and reimbursements	23,955	8,865	9,868	-	-	-	-	-
18	Interest Income	12,530	647,172	862,983	64,600	12,100	14,300	16,100	18,100
19	Surcharges	2,563	-	-	-	-	-	-	-
20	Bond proceeds	-	28,265,000	-	-	-	-	-	-
21	Other Income	8,219	2,553	11,925	-	-	-	-	-
22	Debt service	-	-	(1,096,936)	(1,039,200)	(1,496,000)	(1,495,800)	(1,496,000)	(1,496,600)
23	Capital Improvements	(35,954)	(72,701)	(65,947)	(58,200)	(58,200)	(123,200)	(58,200)	(58,200)
24	Capital Improvements (Bond funded)	-	(3,903,453)	(15,621,113)	-	-	-	-	-
25	Project costs	(1,210,051)	(121,979)	-	(10,194,000)	-	-	-	-
26	Total Net Non-Operating	(1,197,538)	24,839,558	(15,885,310)	(11,226,800)	(1,542,100)	(1,604,700)	(1,538,100)	(1,536,700)
27									
28	Change in Fund Balance	(1,160,255)	25,262,144	(14,469,992)	(9,479,000)	399,200	314,400	358,300	336,200
29	Beginning Fund Balance	2,037,883	877,628	26,139,772	11,669,800	2,190,800	2,590,000	2,904,400	3,262,700
30									
31	**Ending Fund Balance**	**$877,628**	**$26,139,772**	**$11,669,780**	**$2,190,800**	**$2,590,000**	**$2,904,400**	**$3,262,700**	**$3,598,900**
32									
33	Debt Service Coverage				174%	131%	129%	128%	126%

Note: Includes Funds 606 - Sewage Utility Operating, 607 - Sewage Utl Bond, 608 - Debt Service Reserve & Int, 670 - Metered Deposits.

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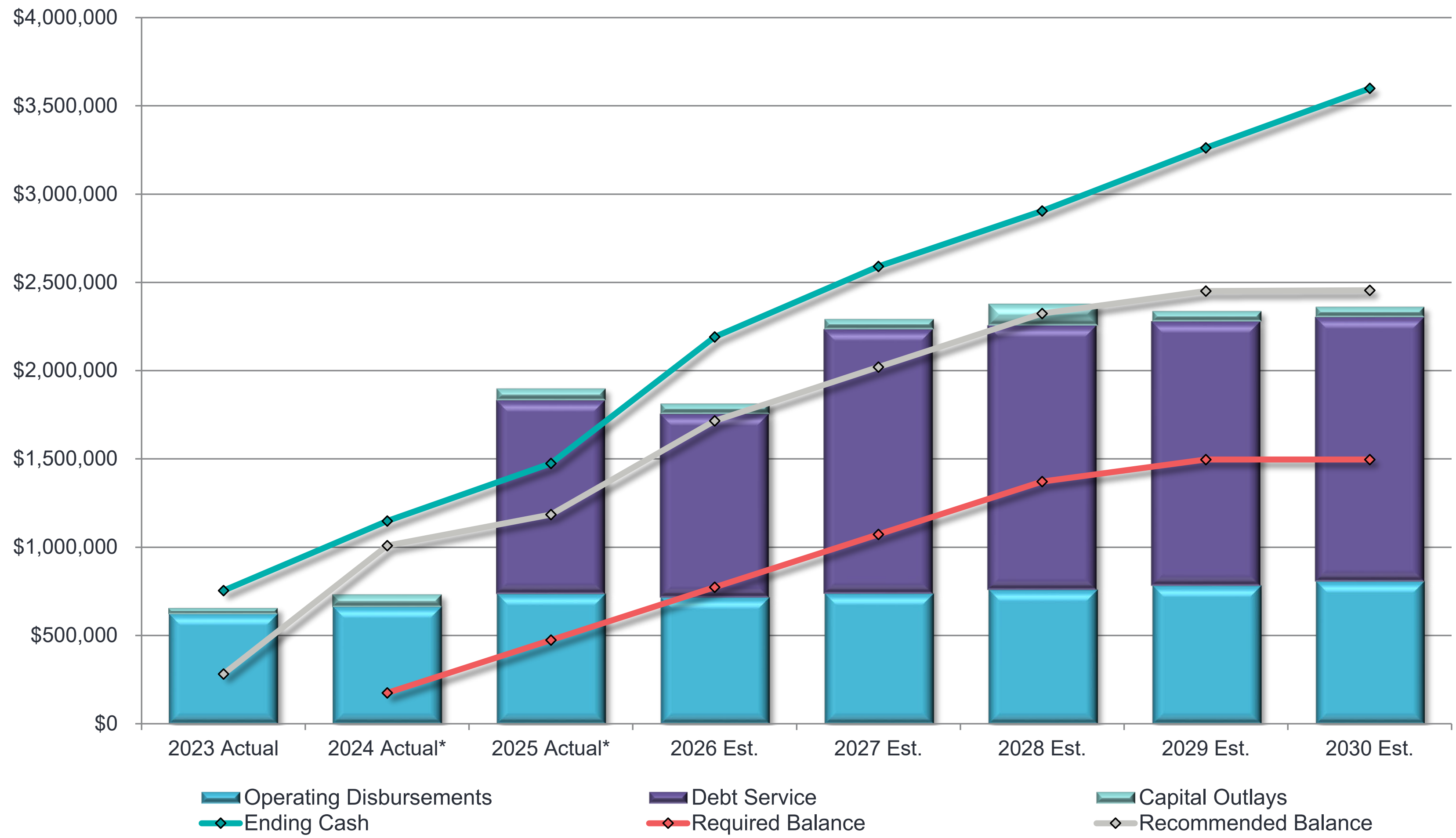
BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

ACTUAL AND ESTIMATED FUND RESULTS
Sewer Funds



*Excludes bond proceeds, bond-funded project expenditures, and construction fund balances

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(Preliminary - Subject to Change)

(No assurance provided on this financial analysis)

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS

	Estimated Project Year					
Project	**2026**	**2027**	**2028**	**2029**	**2030**	**Totals**
Allowance for Capital Improvements (1)	$58,200	$58,200	$58,200	$58,200	$58,200	$291,000
Utility Truck w/ Crane	-	-	65,000	-	-	65,000
Totals	$58,200	$58,200	$123,200	$58,200	$58,200	356,000
Divided by: 5 years						5
Average Annual Capital Improvements						$71,200

(1) Based on three-year historical average from 2023 to 2025.

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BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF AMORTIZATION OF $28,263,000 PRINCIPAL AMOUNT
OF OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2024
Interest and Principal payable semi-annually January 1st and July 1st
Interest rates as shown
Bonds dated June 11, 2024

Payment Date	Principal Balance	Principal	Interest Rate	Debt Service Interest	Debt Service Total	Bond Year Total	
	(------In $1,000's------)		(%)	(--------------------In Dollars--------------------)			
01/01/26	$28,263	$1	3.67	$518,626.05	$519,626.05		
07/01/26	28,262	1	3.67	518,607.70	519,607.70	$1,039,233.75	
01/01/27	28,261	229	3.67	518,589.35	747,589.35		
07/01/27	28,032	234	3.67	514,387.20	748,387.20	1,495,976.55	
01/01/28	27,798	238	3.67	510,093.30	748,093.30		
07/01/28	27,560	242	3.67	505,726.00	747,726.00	1,495,819.30	
01/01/29	27,318	247	3.67	501,285.30	748,285.30		
07/01/29	27,071	251	3.67	496,752.85	747,752.85	1,496,038.15	
01/01/30	26,820	256	3.67	492,147.00	748,147.00		
07/01/30	26,564	261	3.67	487,449.40	748,449.40	1,496,596.40	
01/01/31	26,303	265	3.67	482,660.05	747,660.05		
07/01/31	26,038	270	3.67	477,797.30	747,797.30	1,495,457.35	
01/01/32	25,768	275	3.67	472,842.80	747,842.80		
07/01/32	25,493	280	3.67	467,796.55	747,796.55	1,495,639.35	
01/01/33	25,213	285	3.67	462,658.55	747,658.55		
07/01/33	24,928	291	3.67	457,428.80	748,428.80	1,496,087.35	
01/01/34	24,637	296	3.67	452,088.95	748,088.95		
07/01/34	24,341	301	3.67	446,657.35	747,657.35	1,495,746.30	
01/01/35	24,040	307	3.67	441,134.00	748,134.00		
07/01/35	23,733	312	3.67	435,500.55	747,500.55	1,495,634.55	
01/01/36	23,421	318	3.67	429,775.35	747,775.35		
07/01/36	23,103	324	3.67	423,940.05	747,940.05	1,495,715.40	
01/01/37	22,779	330	3.67	417,994.65	747,994.65		
07/01/37	22,449	336	3.67	411,939.15	747,939.15	1,495,933.80	
01/01/38	22,113	342	3.67	405,773.55	747,773.55		
07/01/38	21,771	349	3.67	399,497.85	748,497.85	1,496,271.40	
01/01/39	21,422	355	3.67	393,093.70	748,093.70		
07/01/39	21,067	361	3.67	386,579.45	747,579.45	1,495,673.15	
01/01/40	20,706	368	3.67	379,955.10	747,955.10		
07/01/40	20,338	375	3.67	373,202.30	748,202.30	1,496,157.40	
01/01/41	19,963	382	3.67	366,321.05	748,321.05		
07/01/41	19,581	389	3.67	359,311.35	748,311.35	1,496,632.40	
01/01/42	19,192	396	3.67	352,173.20	748,173.20		
07/01/42	18,796	403	3.67	344,906.60	747,906.60	1,496,079.80	
01/01/43	18,393	410	3.67	337,511.55	747,511.55		
07/01/43	17,983	418	3.67	329,988.05	747,988.05	1,495,499.60	
01/01/44	17,565	426	3.67	322,317.75	748,317.75		
07/01/44	17,139	434	3.67	314,500.65	748,500.65	1,496,818.40	*
01/01/45	16,705	441	3.67	306,536.75	747,536.75		
07/01/45	16,264	450	3.67	298,444.40	748,444.40	1,495,981.15	
Subtotals		$12,449		$17,013,991.55	$29,462,991.55	$29,462,991.55	

(continued on next page)

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BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

SCHEDULE OF AMORTIZATION OF $28,263,000 PRINCIPAL AMOUNT
OF OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2024
Interest and Principal payable semi-annually January 1st and July 1st
Interest rates as shown
Bonds dated June 11, 2024

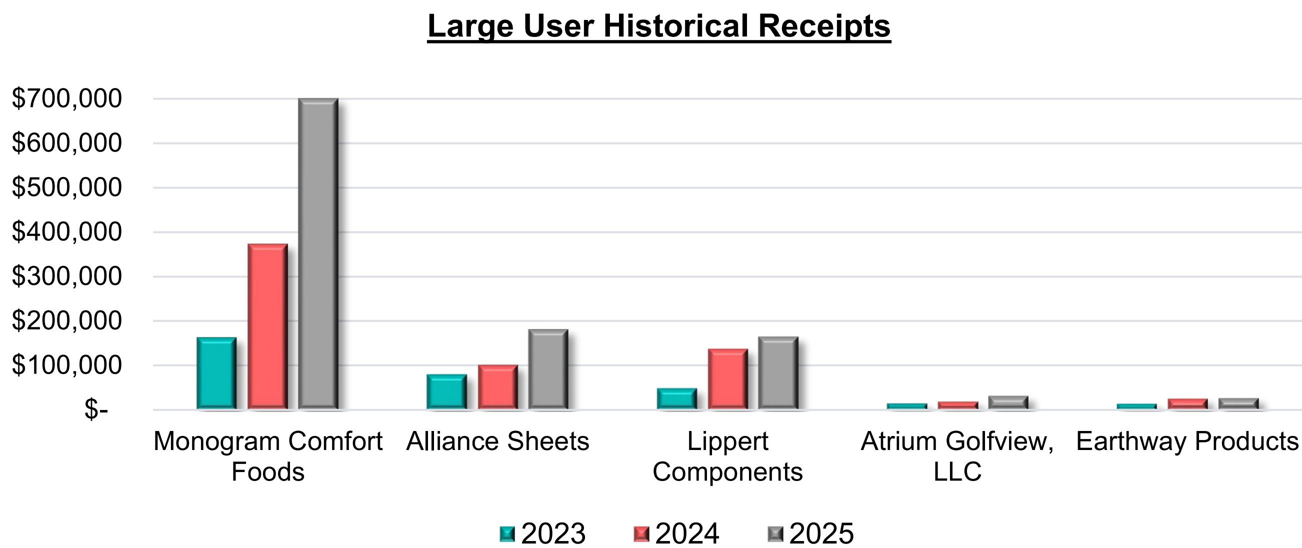
Payment Date	Principal Balance	Principal	Interest Rate	Debt Service Interest	Debt Service Total	Bond Year Total
	(------In $1,000's------)		(%)	(--------------------In Dollars--------------------)		
01/01/46	$15,814	$458	3.67	$290,186.90	$748,186.90	
07/01/46	15,356	466	3.67	281,782.60	747,782.60	$1,495,969.50
01/01/47	14,890	475	3.67	273,231.50	748,231.50	
07/01/47	14,415	483	3.67	264,515.25	747,515.25	1,495,746.75
01/01/48	13,932	492	3.67	255,652.20	747,652.20	
07/01/48	13,440	501	3.67	246,624.00	747,624.00	1,495,276.20
01/01/49	12,939	511	3.67	237,430.65	748,430.65	
07/01/49	12,428	520	3.67	228,053.80	748,053.80	1,496,484.45
01/01/50	11,908	529	3.67	218,511.80	747,511.80	
07/01/50	11,379	539	3.67	208,804.65	747,804.65	1,495,316.45
01/01/51	10,840	549	3.67	198,914.00	747,914.00	
07/01/51	10,291	559	3.67	188,839.85	747,839.85	1,495,753.85
01/01/52	9,732	569	3.67	178,582.20	747,582.20	
07/01/52	9,163	580	3.67	168,141.05	748,141.05	1,495,723.25
01/01/53	8,583	591	3.67	157,498.05	748,498.05	
07/01/53	7,992	601	3.67	146,653.20	747,653.20	1,496,151.25
01/01/54	7,391	612	3.67	135,624.85	747,624.85	
07/01/54	6,779	624	3.67	124,394.65	748,394.65	1,496,019.50
01/01/55	6,155	635	3.67	112,944.25	747,944.25	
07/01/55	5,520	647	3.67	101,292.00	748,292.00	1,496,236.25
01/01/56	4,873	659	3.67	89,419.55	748,419.55	
07/01/56	4,214	671	3.67	77,326.90	748,326.90	1,496,746.45
01/01/57	3,543	683	3.67	65,014.05	748,014.05	
07/01/57	2,860	696	3.67	52,481.00	748,481.00	1,496,495.05
01/01/58	2,164	708	3.67	39,709.40	747,709.40	
07/01/58	1,456	721	3.67	26,717.60	747,717.60	1,495,427.00
01/01/59	735	735	3.67	13,487.25	748,487.25	748,487.25
		$28,263		$21,395,824.75	$49,658,824.75	$49,658,824.75

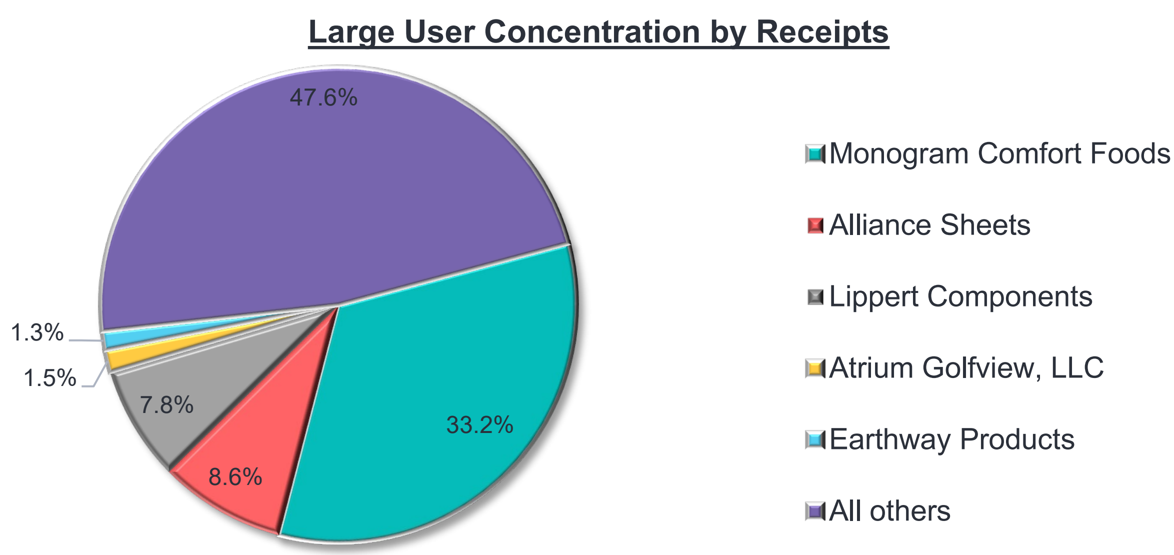
*Maximum Annual Debt Service

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

LARGEST USERS

Large customers play an important role in the financial health of the Utility because changes in usage patterns can result in material impacts to the Utility's bottom line. The tables below summarize the revenue data for the five largest customers of the Utility. It can be seen that the five largest customers account for approximately 52% of the Utility's total sewer collections, with Monogram Comfort Foods alone accounting for 33.2%.





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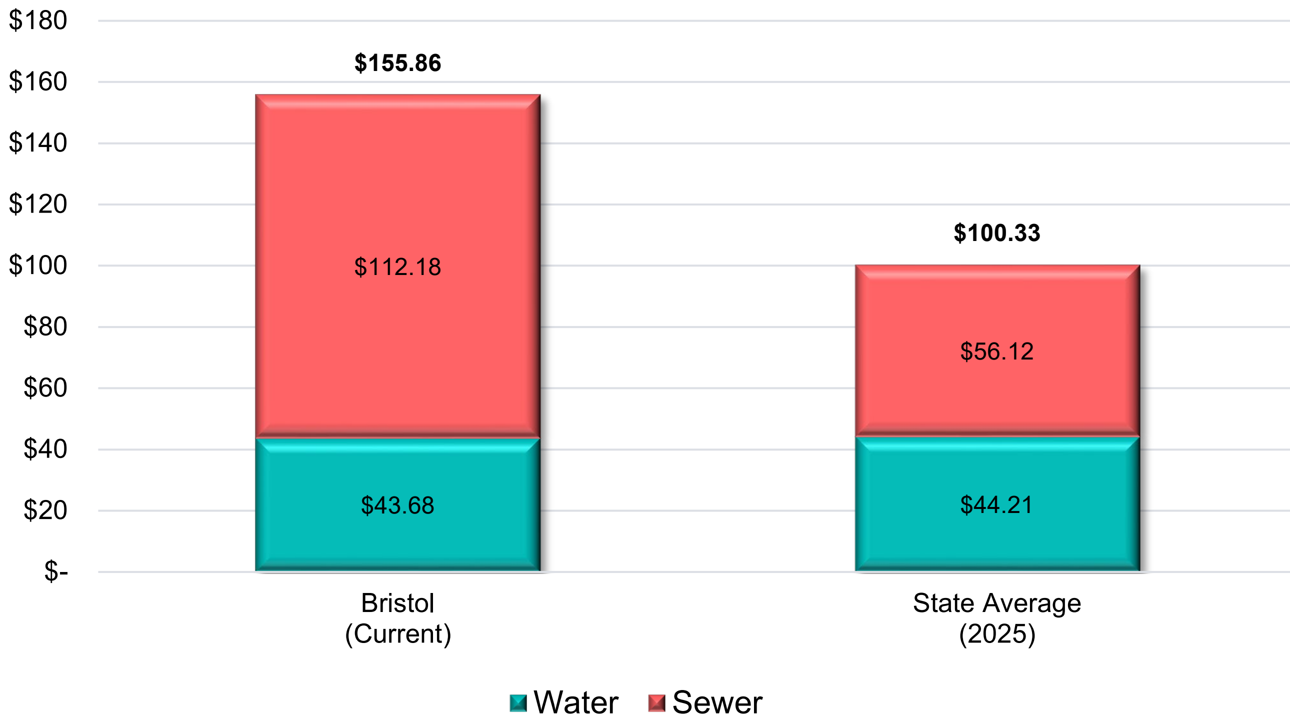
BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

UTILITY RATE COMPARISONS TO STATE AVERAGE

Decision makers and rate payers often want to know how their Utility rates compare. Comparisons are a great reference point, but there are a number of factors that should be considered to put a rate comparison in perspective. These factors include debt, regulatory requirements, and utility size. The table below compares Bristol's water and sewer rates to state averages for similar sized towns. The state averages shown include 115 municipalities for water and 118 municipalities for sewer. The water rates include public hydrant surcharges.

Comparison of Combined Monthly Rates
(Based on 4,000 Gallons)



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