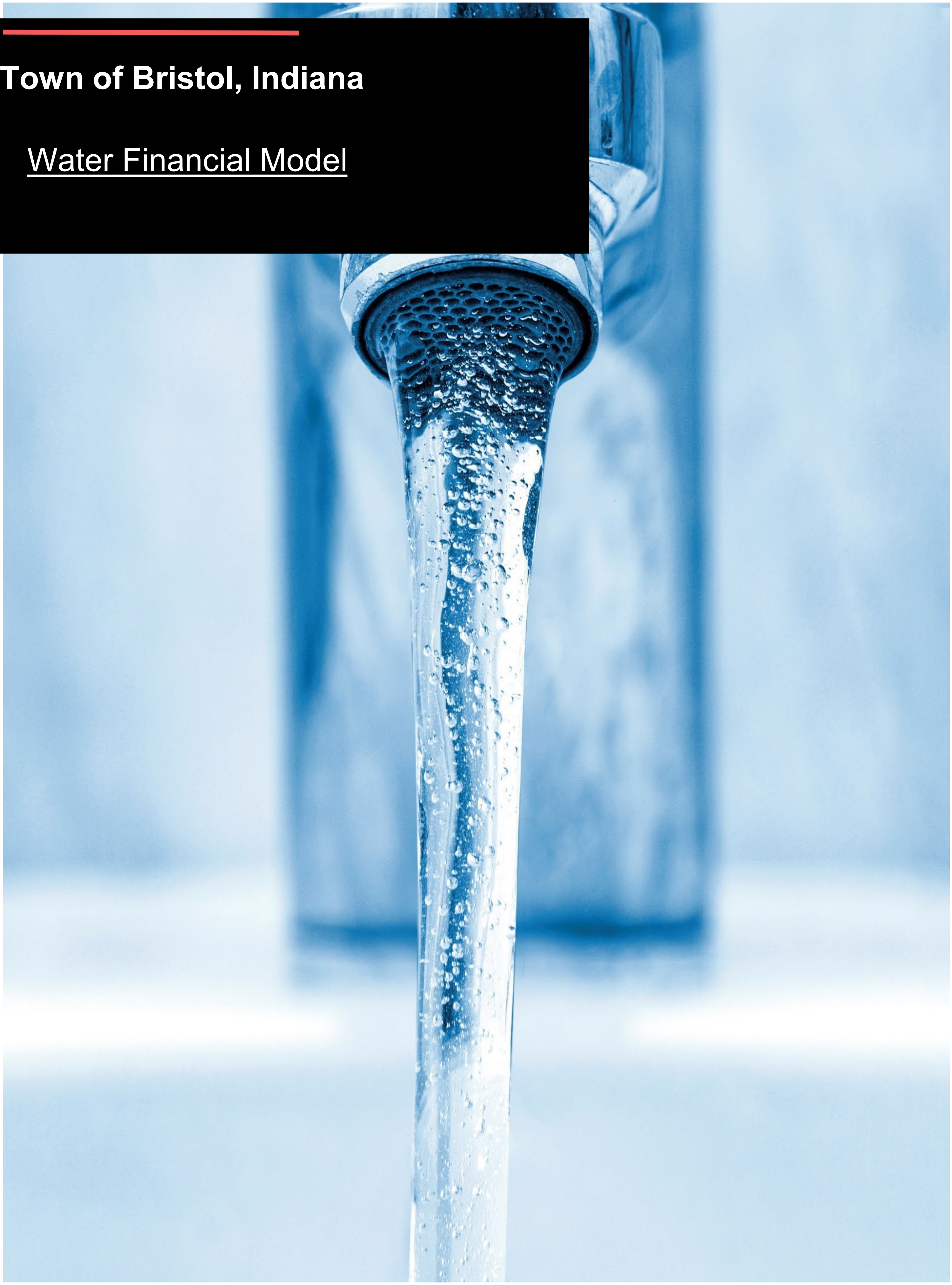
Town of Bristol, Indiana

Water Financial Model



BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

EXECUTIVE SUMMARY

Year End Cash Summary

As of December 31, 2025, fund balances were $1,745,500, which was an increase of $1.04 million from the end of 2024. This is primarily due to the timing of the 1/1 bond payment and the accumulation of the debt service reserve fund. The operating fund has increased by $397,000 over the prior year. The fund balances were above recommended reserves by $746,400 as of December 31, 2025, as shown on page W - 2.

2025 Financial Summary and Budget Comparison

The Utility's operating receipts were $162,700 over budget in 2025. Operating disbursements were approximately $69,800 over budget, largely driven by higher costs for purchased power and increased professional services relating to the 2024 Bonds and projects.

Non-operating receipts exceeded the budget by $4,179,200 due primarily to the bond proceeds, as well as reimbursements and connection fees, which are not budgeted for. Non-operating disbursements were $10,912,500 under budget, primarily due to the timing of the project draws. Interest expense may have been lower due to the timing and structure of bond financing related to capital improvements.

Estimated Future Health

The most important component of a financial health check is evaluating the Utility's future outlook. As detailed on pages W - 3 and W - 4, operating revenues are per last year's Financial Management Report. 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 W - 5 through W - 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 WATER UTILITY

COMPARISON OF FUND BALANCES WITH MINIMUM BALANCES REQUIRED

Cash and Investments:	Account Balances 12/31/2025	Minimum Balance Required	Variance	
Operation and maintenance fund (1)	$554,541	$82,133	$472,408	
Sinking fund:				
Bond and interest account (2)	861,198	289,223	571,975	*
Debt service reserve account (3)	271,489	263,511	7,978	
BONY Construction (4)	668	668	-	
Depreciation fund (5)	9,438	315,400	(305,962)	
Meter Deposit Fund (6)	46,689	46,689	-	
Construction Fund (7)	1,500	1,500	-	
Totals	$1,745,523	$999,124	$746,399	

(1) **Operation and Maintenance Fund:** Per Bond Ordinance No. 10-20-22A, 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 W - 3)	$492,700
Times factor for 2 months	16.67%
Required reserve	$82,133

(2) **Bond and Interest Account:** Per Bond Ordinance No. 10-20-22A, 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 Due 1/1/26	$1,000	x	1/6	x	6	=	$1,000
Interest Due 1/1/26	288,223	x	1/6	x	6	=	288,223
Required reserve							$289,223

(3) **Debt Service Reserve Account:** Per Bond Ordinance No. 10-20-22A, Section 15(c) requires monthly transfers until the balance equals the maximum annual debt service on the outstanding bonds. The reserve will be fully funded May 31, 2029.

Required reserve	$263,511

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

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

Recommended Reserve	$315,400

(6) **Meter Deposit Fund:** Monies are restricted for return to customers.

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

* The payments shown are based upon the amortization assuming the bonds are fully drawn. At this time, the bonds have only drawn $5,396,239 of the total $15,709,000. The excess reserves in the bond and interest account can be transferred to the debt service reserve account.

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

ACTUAL AND ESTIMATED FUND RESULTS
Water 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	Metered sales	$396,010	$758,484	$1,193,685	$1,164,400	$1,266,100	$1,266,100	$1,266,100	$1,266,100
3	Fire Protection - Sprinklers	37,042	25,658	51,730	72,300	79,800	79,800	79,800	79,800
4	Hydrant Rentals	134,224	137,858	290,595	275,300	304,800	304,800	304,800	304,800
5	Penalties	9,819	23,383	15,609	9,800	9,800	9,800	9,800	9,800
6	Total Operating Receipts	577,095	945,383	1,551,619	1,521,800	1,660,500	1,660,500	1,660,500	1,660,500
7									
8	Operating Disbursements:								
9	Personnel	295,269	259,339	314,677	324,100	333,900	344,000	354,400	365,100
10	Repairs and maintenance	26,957	35,397	39,538	40,700	41,900	43,200	44,500	45,800
11	Contractual services	29,451	12,081	45,550	29,900	30,800	31,700	32,700	33,700
12	Materials and supplies	19,935	13,968	9,779	15,000	15,400	15,800	16,200	16,700
13	Utilities	47,238	46,936	75,020	75,200	77,500	79,800	82,200	84,600
14	Other operating	10,454	6,673	5,382	7,800	8,000	8,300	8,600	8,900
15	Total Operating Disbursements	429,304	374,394	489,946	492,700	507,500	522,800	538,600	554,800
16									
17	Non-Operating Receipts (Disbursements):								
18	Sales tax (net)	(10,589)	(18,589)	10,549	-	-	-	-	-
19	Connection Fees	2,000	7,265	6,075	-	-	-	-	-
20	Meter Deposits (net)	3,150	3,600	4,700	-	-	-	-	-
21	Bond proceeds	-	1,288,596	4,107,643	-	-	-	-	-
22	Reimbursements	27,714	9,068	10,753	-	-	-	-	-
23	Interest Income	10,405	5,273	37,871	7,800	8,300	5,400	6,400	7,300
24	Other Income	18,507	13,284	6,828	-	-	-	-	-
25	Debt service*	-	-	(68,996)	(578,400)	(831,000)	(831,500)	(831,600)	(831,400)
26	Capital improvements	(83,283)	(146,701)	(26,360)	(335,400)	(985,400)	(85,400)	(85,400)	(85,400)
27	Project costs	(735,302)	(2,098,174)	(4,107,643)	-	-	-	-	-
28	Total Net Non-Operating	(767,398)	(936,378)	(18,580)	(906,000)	(1,808,100)	(911,500)	(910,600)	(909,500)
29									
30	Change in Fund Balance	(619,607)	(365,389)	1,043,093	123,100	(655,100)	226,200	211,300	196,200
31	Beginning Fund Balance	1,687,425	1,067,818	702,429	1,745,500	1,868,600	1,213,500	1,439,700	1,651,000
32									
33	**Ending Fund Balance**	**$1,067,818**	**$702,429**	**$1,745,522**	**$1,868,600**	**$1,213,500**	**$1,439,700**	**$1,651,000**	**$1,847,200**
34									
35	Debt Service Coverage				179%	140%	137%	136%	134%

Note: Includes Funds 601 - Water Utility Operating, 604 - Water Construction, 605 - Water Debt Service Reserve, 611 - Bond and Interest 2018 & 650 - Metered Deposits.

*Estimated debt service payments are based upon the fully drawn bond amortization schedule. Based upon the bond draws at the time of payments the actual payments may be less than shown.

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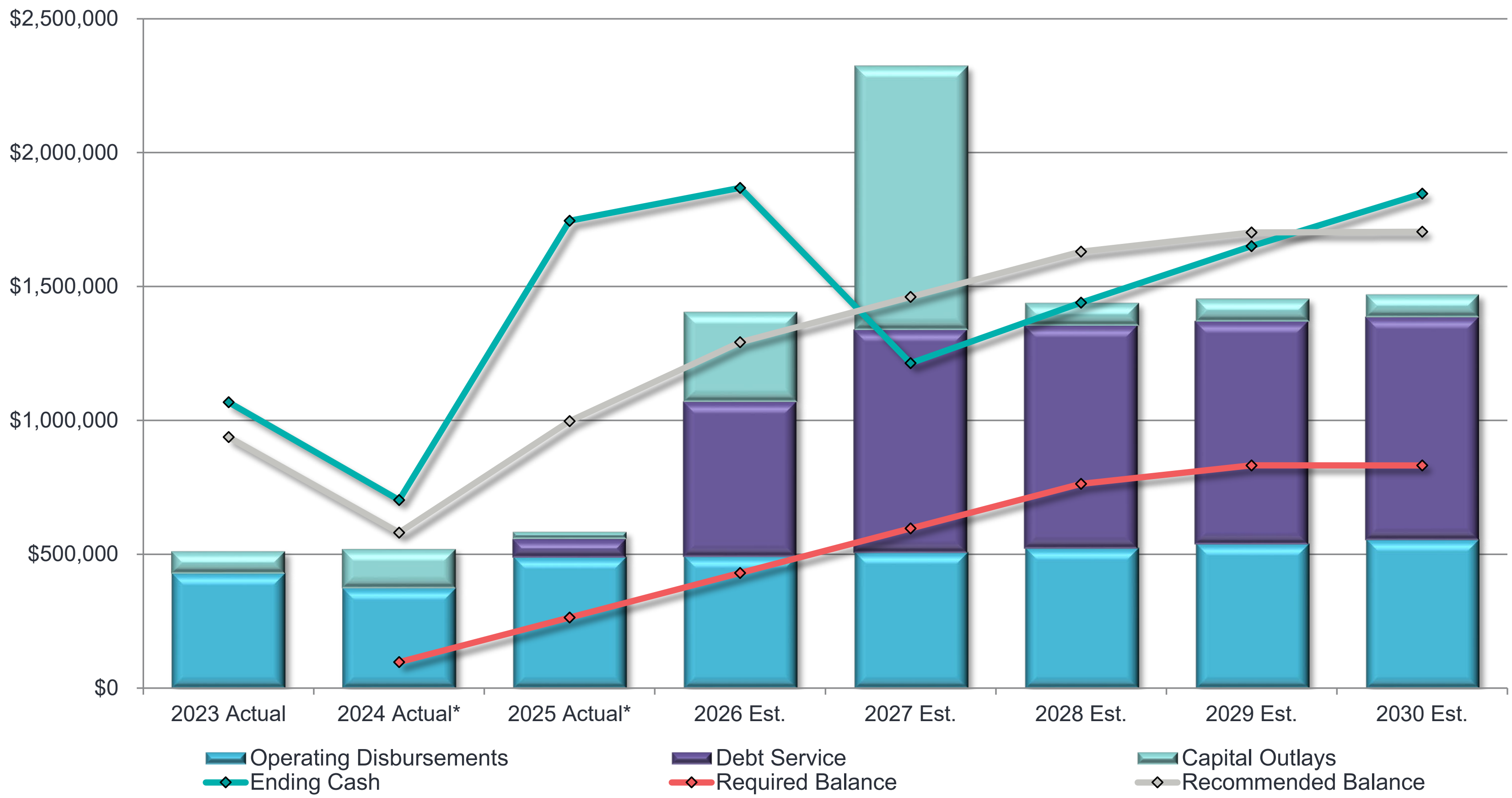
(No assurance provided on this financial analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

ACTUAL AND ESTIMATED FUND RESULTS
Water Funds



*Excludes bond proceeds, bond-funded project expenditures, and 2023 construction fund balances

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BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS
(Provided by Utility Management)

Project	Estimated Project Year 2026	2027	2028	2029	2030	Totals
Allowance for Capital Improvements (1)	$ 85,400	$ 85,400	$ 85,400	$ 85,400	$ 85,400	$ 427,000
Water Main - SR 15 to Illinois St.	-	500,000	-	-	-	500,000
Water Main - St. Joseph River Crossing	-	400,000	-	-	-	400,000
Appolo Street Water Main - Vistula to Hermance Park	250,000	-	-	-	-	250,000
Totals	$ 335,400	$ 985,400	$ 85,400	$ 85,400	$ 85,400	$ 1,577,000
Divided by: 5 years						5
Average Annual Capital Improvements						$ 315,400

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

(Internal Use Only)
(Preliminary - Subject to Change)
(No assurance provided on this financial analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF AMORTIZATION OF $15,707,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2024
Principal and Interest Payable Semiannually on January 1st and July 1st
Interest rates as indicated
Bonds dated June 11, 2024

Payment Date	Principal Balance	Debt Service Principal	Interest	Debt Service Interest	Debt Service Total	Bond Year Total
	(----In Thousands----)		(%)	(---In Dollars---)		
01/01/26	$15,707	$1	3.67	$288,223.45	$289,223.45	
07/01/26	15,706	1	3.67	288,205.10	289,205.10	$578,428.55
01/01/27	15,705	127	3.67	288,186.75	415,186.75	
07/01/27	15,578	130	3.67	285,856.30	415,856.30	831,043.05
01/01/28	15,448	132	3.67	283,470.80	415,470.80	
07/01/28	15,316	135	3.67	281,048.60	416,048.60	831,519.40
01/01/29	15,181	137	3.67	278,571.35	415,571.35	
07/01/29	15,044	140	3.67	276,057.40	416,057.40	831,628.75
01/01/30	14,904	142	3.67	273,488.40	415,488.40	
07/01/30	14,762	145	3.67	270,882.70	415,882.70	831,371.10
01/01/31	14,617	147	3.67	268,221.95	415,221.95	
07/01/31	14,470	150	3.67	265,524.50	415,524.50	830,746.45
01/01/32	14,320	153	3.67	262,772.00	415,772.00	
07/01/32	14,167	156	3.67	259,964.45	415,964.45	831,736.45
01/01/33	14,011	159	3.67	257,101.85	416,101.85	
07/01/33	13,852	161	3.67	254,184.20	415,184.20	831,286.05
01/01/34	13,691	164	3.67	251,229.85	415,229.85	
07/01/34	13,527	167	3.67	248,220.45	415,220.45	830,450.30
01/01/35	13,360	170	3.67	245,156.00	415,156.00	
07/01/35	13,190	174	3.67	242,036.50	416,036.50	831,192.50
01/01/36	13,016	177	3.67	238,843.60	415,843.60	
07/01/36	12,839	180	3.67	235,595.65	415,595.65	831,439.25
01/01/37	12,659	183	3.67	232,292.65	415,292.65	
07/01/37	12,476	187	3.67	228,934.60	415,934.60	831,227.25
01/01/38	12,289	190	3.67	225,503.15	415,503.15	
07/01/38	12,099	194	3.67	222,016.65	416,016.65	831,519.80
01/01/39	11,905	197	3.67	218,456.75	415,456.75	
07/01/39	11,708	201	3.67	214,841.80	415,841.80	831,298.55
01/01/40	11,507	205	3.67	211,153.45	416,153.45	
07/01/40	11,302	208	3.67	207,391.70	415,391.70	831,545.15
01/01/41	11,094	212	3.67	203,574.90	415,574.90	
07/01/41	10,882	216	3.67	199,684.70	415,684.70	831,259.60
01/01/42	10,666	220	3.67	195,721.10	415,721.10	
07/01/42	10,446	224	3.67	191,684.10	415,684.10	831,405.20
01/01/43	10,222	228	3.67	187,573.70	415,573.70	
07/01/43	9,994	232	3.67	183,389.90	415,389.90	830,963.60
01/01/44	9,762	237	3.67	179,132.70	416,132.70	
07/01/44	9,525	241	3.67	174,783.75	415,783.75	831,916.45
01/01/45	9,284	245	3.67	170,361.40	415,361.40	
07/01/45	9,039	250	3.67	165,865.65	415,865.65	831,227.05
Subtotals		$6,918		$9,455,204.50	$16,373,204.50	$16,373,204.50

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BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

SCHEDULE OF AMORTIZATION OF $15,707,000 PRINCIPAL AMOUNT OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2024

Principal and Interest Payable Semiannually on January 1st and July 1st

Interest rates as indicated

Bonds dated June 11, 2024

Payment	Principal	Debt Service				Bond Year	
Date	Balance	Principal	%	Interest	Total	Total	
	(----In Thousands----)			(---In Dollars---)			
01/01/46	$8,789	$254	3.67	$161,278.15	$415,278.15		
07/01/46	8,535	259	3.67	156,617.25	415,617.25	$830,895.40	
01/01/47	8,276	264	3.67	151,864.60	415,864.60		
07/01/47	8,012	269	3.67	147,020.20	416,020.20	831,884.80	
01/01/48	7,743	274	3.67	142,084.05	416,084.05		
07/01/48	7,469	279	3.67	137,056.15	416,056.15	832,140.20	*
01/01/49	7,190	284	3.67	131,936.50	415,936.50		
07/01/49	6,906	289	3.67	126,725.10	415,725.10	831,661.60	
01/01/50	6,617	294	3.67	121,421.95	415,421.95		
07/01/50	6,323	300	3.67	116,027.05	416,027.05	831,449.00	
01/01/51	6,023	305	3.67	110,522.05	415,522.05		
07/01/51	5,718	311	3.67	104,925.30	415,925.30	831,447.35	
01/01/52	5,407	316	3.67	99,218.45	415,218.45		
07/01/52	5,091	322	3.67	93,419.85	415,419.85	830,638.30	
01/01/53	4,769	328	3.67	87,511.15	415,511.15		
07/01/53	4,441	334	3.67	81,492.35	415,492.35	831,003.50	
01/01/54	4,107	340	3.67	75,363.45	415,363.45		
07/01/54	3,767	347	3.67	69,124.45	416,124.45	831,487.90	
01/01/55	3,420	353	3.67	62,757.00	415,757.00		
07/01/55	3,067	359	3.67	56,279.45	415,279.45	831,036.45	
01/01/56	2,708	366	3.67	49,691.80	415,691.80		
07/01/56	2,342	373	3.67	42,975.70	415,975.70	831,667.50	
01/01/57	1,969	380	3.67	36,131.15	416,131.15		
07/01/57	1,589	386	3.67	29,158.15	415,158.15	831,289.30	
01/01/58	1,203	394	3.67	22,075.05	416,075.05		
07/01/58	809	401	3.67	14,845.15	415,845.15	831,920.20	
01/01/59	408	408	3.67	7,486.80	415,486.80	415,486.80	
Totals		$15,707		$11,890,212.80	$27,597,212.80	$27,597,212.80	

*Maximum Annual Debt Service:

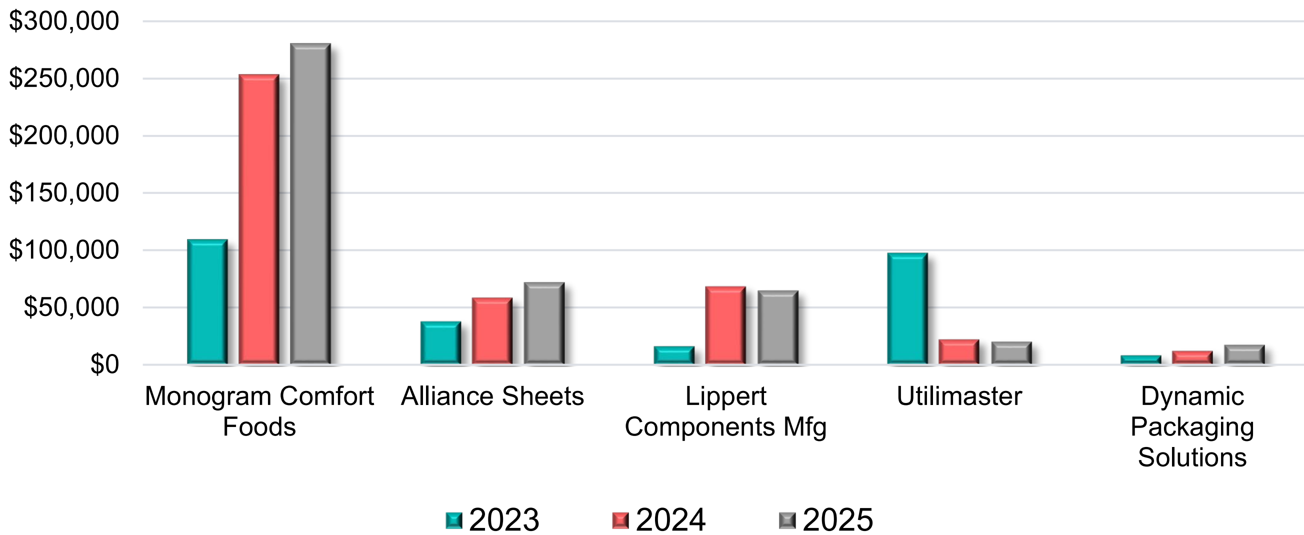
Note: These are draw bonds; therefore, the actual interest due may vary until the bonds are fully drawn.

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

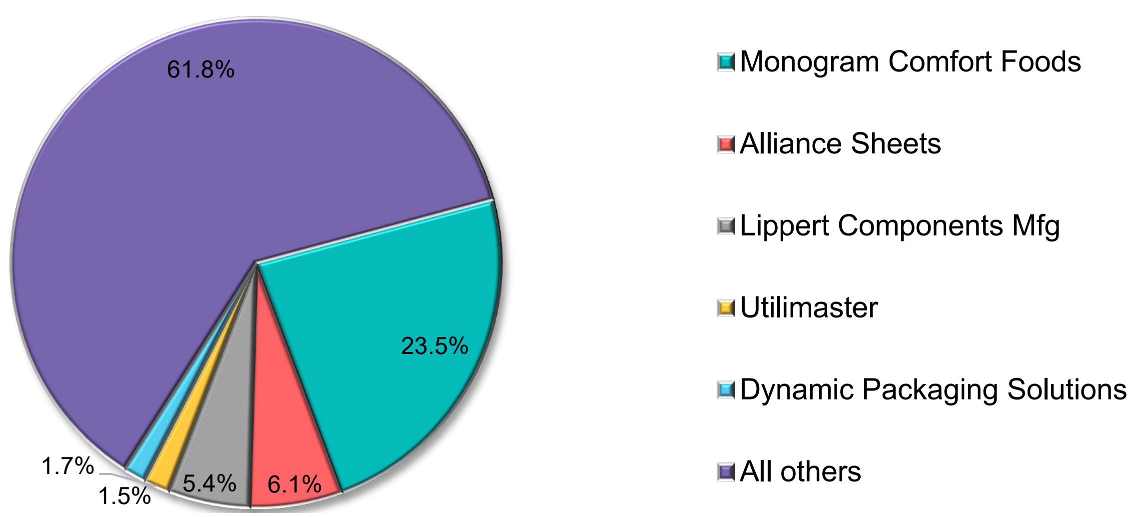
LARGEST USERS

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 38% of the Utility's total water collections, with Monogram Comfort Foods alone accounting for 23.5%.

Large User Historical Receipts



Large User Concentration by Receipts



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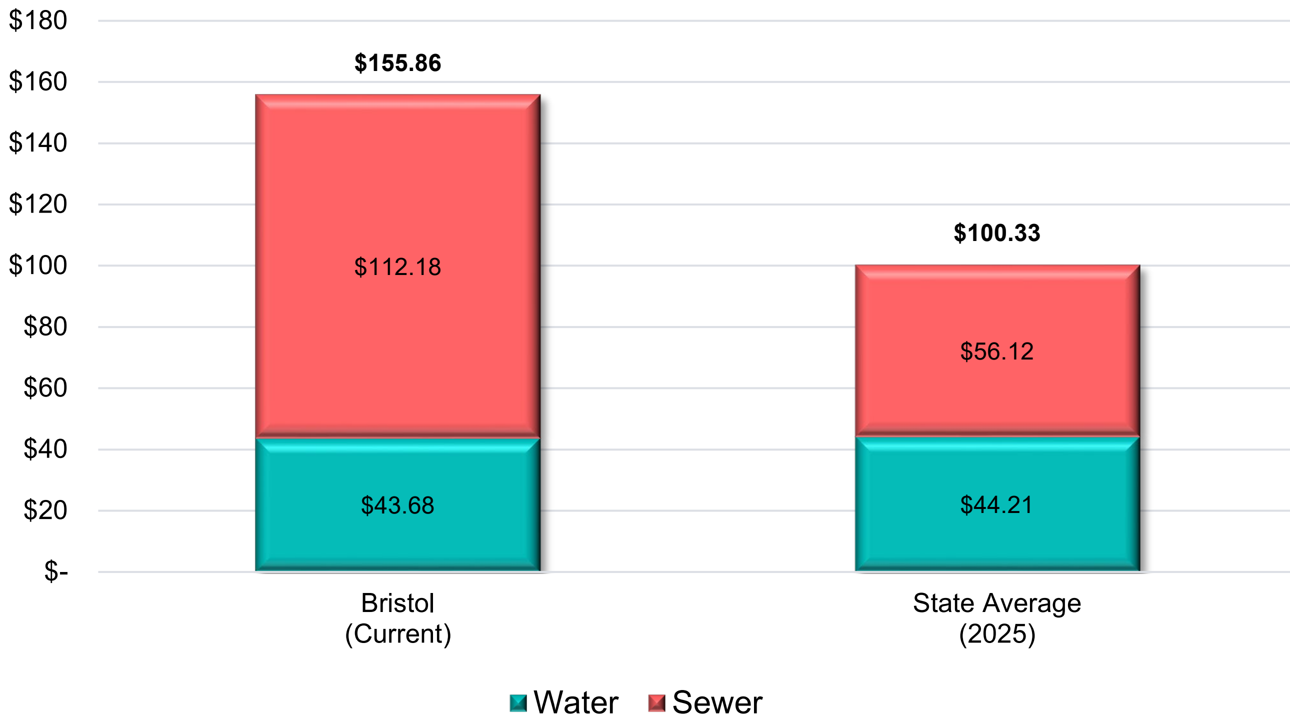
BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

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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