



FINANCIAL MANAGEMENT REPORT
FOR CALENDAR YEAR ENDED DECEMBER 31, 2024

Town of Bristol, Indiana
(MUNICIPAL WATERWORKS)

July 8, 2025

JULY 8, 2025

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
FINANCIAL MANAGEMENT REPORT	2-8
<u>SUPPLEMENTAL DATA</u>	
SCHEDULE OF AMORTIZATION OF \$15,709,000 OUTSTANDING PRINCIPAL AMOUNT OF SEWAGE WORKS REVENUE BONDS OF 2024	9-10
SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS.....	11
LARGE USER ANALYSIS	12
SCHEDULE OF CURRENT RATES AND CHARGES	13
COMPARISON OF COMBINED WATER AND SEWER RATES	14



BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

EXECUTIVE SUMMARY

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

EXECUTIVE SUMMARY

Budget Comparison

- Operating receipts were \$160,317 under budget in 2024 (page 4).
- Operating disbursements were \$60,758 under budget due primarily to personnel and materials and supplies costs being lower than anticipated (page 4).
- Non-operating receipts were \$28,090 over budget primarily due to connection fees and reimbursements collecting more than budgeted. (page 4).
- Non-operating disbursements were \$121,701 over budget primarily due to timing of capital projects and the Utility not having an established budget for non-operating disbursements for 2024 (page 5).

Year End Cash Summary

- Total cash increased by \$14,051,356 from December 31, 2023 (page 2) primarily due to receipt of bond proceeds related to the 2024 issuance.
- Total fund balances were \$116,388 above minimum recommended reserves as of December 31, 2024 (page 2).

Estimated Future Health

- Estimated net cash flows, excluding the spend down of the construction fund, are expected to be positive over the next five years assuming the Utility were to delay the phase II rate increase until May of 2026 with collections beginning in July of 2026. (page 7).
- Total estimated fund balances are expected to remain above minimum recommended reserves through 2029 with the proposed delay in rate increases (page 8).

Additional Noteworthy Items

- The five-year average annual capital improvement total is \$83,100 (page 11).
- Estimated receipts assume the Phase II rate increase is delayed until May 2026 (page 6).
- The last rate adjustment was adopted on April 16, 2024 per ordinance No. 04-16-2024-9 (page 13).

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

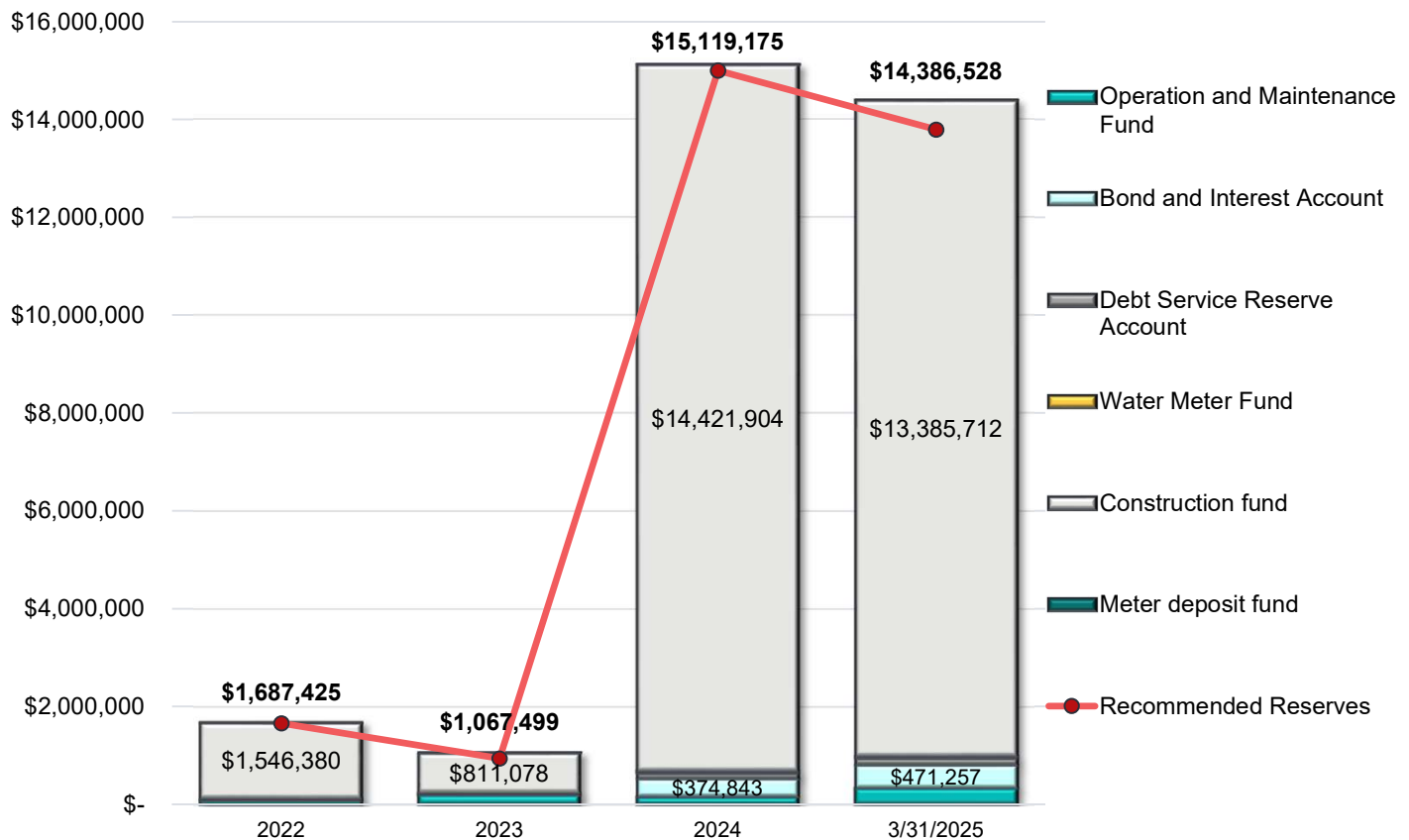
BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

Historical Financial Summary

The following section provides a comprehensive three-year historical financial summary for the Utility, highlighting key financial trends and performance metrics. This analysis includes graphical representations of fund balances in comparison to required or recommended reserve levels, cash flow trends for receipts and disbursements, and a detailed breakdown of operating costs by category as a percentage of total operating expenses. These visuals and accompanying data offer insights into the Utility's financial health, resource allocation, and fiscal sustainability over the past three years.

Table 1
Fund Balances vs. Recommended Reserves



Fund balances are a result of receipt and disbursement activity over time. Spending more money than is received in any accounting period results in fund balances diminishing and vice-a-versa. Table 1 shows the Utility's total fund balance history over the last three years compared to recommended reserve balances. Recommended reserves are based on industry best practices (such as reserving two month's operation and maintenance and one year's capital spending).

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

Table 2
Receipt and Disbursement History

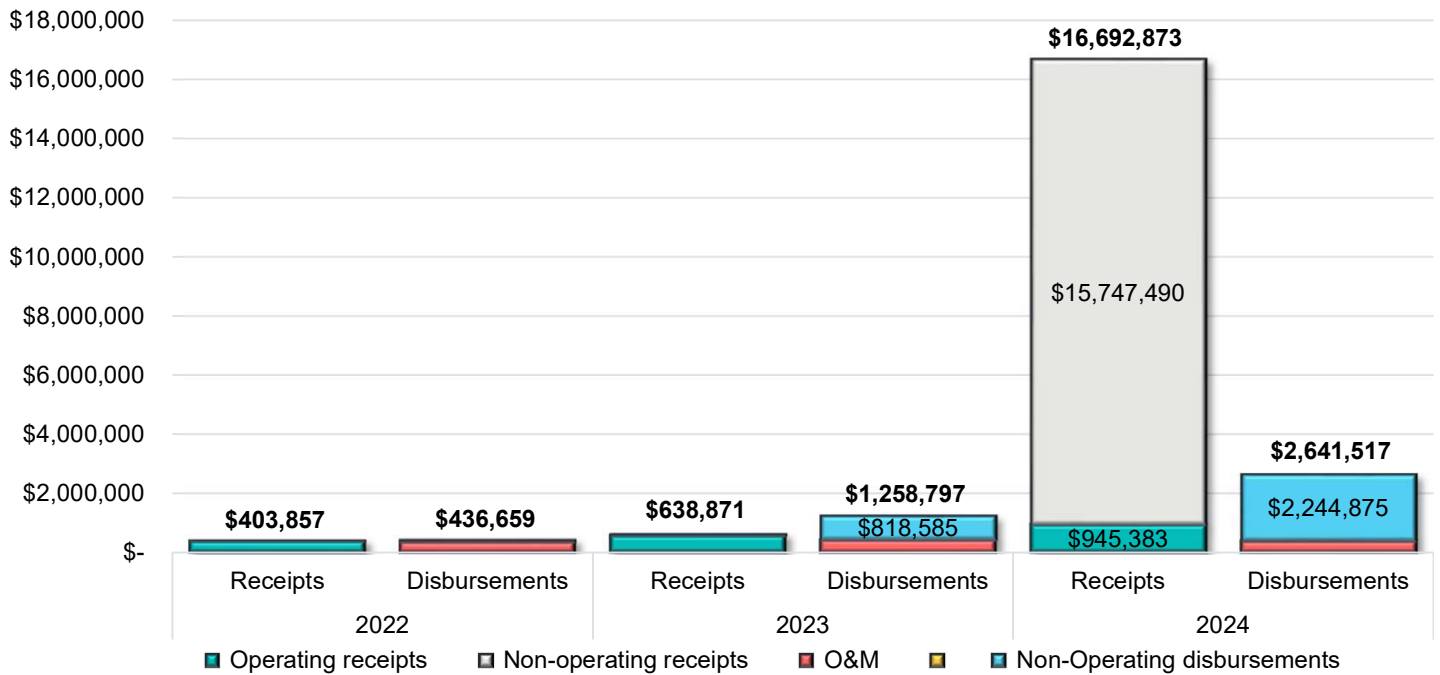


Table 2 illustrates trends and changes in receipt and disbursement history over the last three years.

Table 3
Percentage of Operating Costs by Category

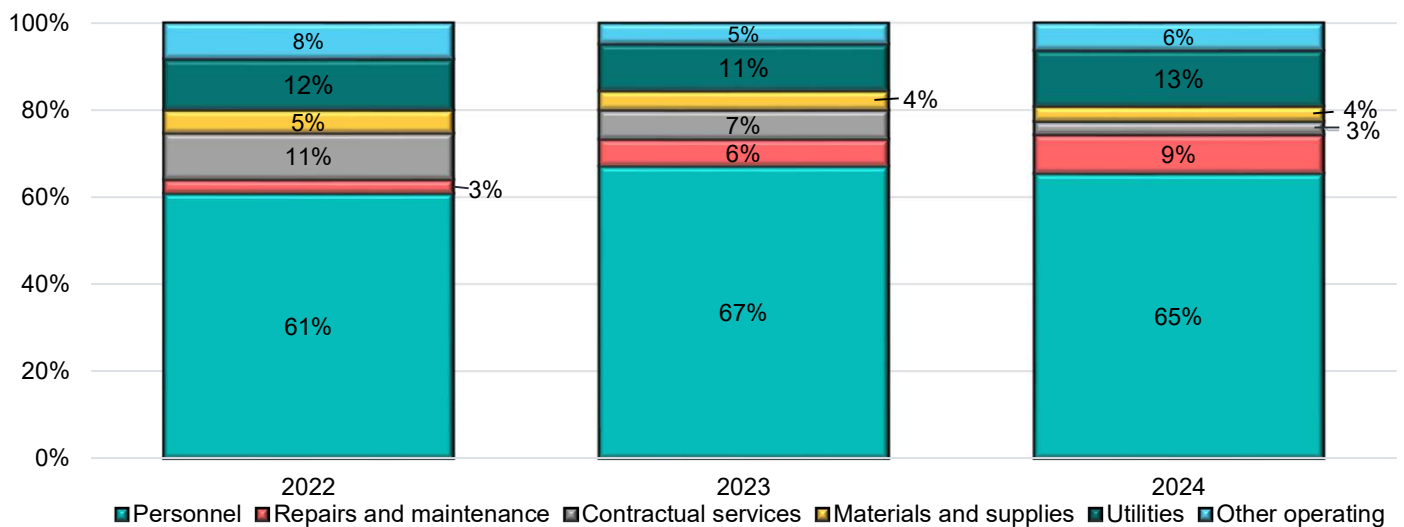


Table 3 is a breakdown of historical operating costs by category to assist in analyzing historical trends and cost fluctuations.

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

2024 Financial Summary

This section presents a detailed comparison of the 2024 budgeted figures against actual financial performance for the Utility. The analysis highlights variances in receipts and disbursements, offering insights into areas of alignment and deviation from financial expectations. This comparison aids in evaluating the Utility's budgeting accuracy, financial management practices, and operational efficiency, providing a foundation for continuous improvement in future budget planning and fiscal oversight.

Table 4
Receipts

	2024 Actual	2024 Budget	Over/(Under) 2024 Budget Dollar	Percentage
Operating Receipts:				
Metered Sales	\$758,484	\$859,300	(\$100,816)	
Fire Protection - Sprinklers	25,658	49,700	(24,042)	
Hydrant Rentals	137,858	186,900	(49,042)	
Penalties	23,383	9,800	13,583	
Subtotal	945,383	1,105,700	(160,317)	-14.5%
Non-Operating Receipts:				
Connection Fees	7,265	-	7,265	
Meter Deposits (net)	3,600	-	3,600	
Bond Proceeds	15,709,000	15,709,000	-	
Reimbursements	9,068	-	9,068	
Interest Income	5,273	10,400	(5,127)	
Other Income	13,284	-	13,284	
Subtotal	15,747,490	15,719,400	28,090	0.2%
Total Receipts	\$16,692,873	\$16,825,100	(\$132,227)	-0.8%

The Utility saw a shortfall in total revenues in 2024 due to billing errors that led to an under collection in operating receipts. It should be noted, billing adjustments have been made to correctly record receipts in 2025.

Table 5
Operating Disbursements

	2024 Actual	2024 Budget	Over/(Under) 2024 Budget Dollar	Percentage
Personnel	\$259,339	\$303,200	(\$43,861)	
Repairs and Maintenance	35,397	25,400	9,997	
Contractual Services	12,081	22,000	(9,919)	
Materials and Supplies	13,968	55,500	(41,532)	
Utilities	50,595	39,000	11,595	
Other Operating	25,262	12,300	12,962	
Total Operating Disbursements	\$396,642	\$457,400	(\$60,758)	-13.3%

The Utility was under the operating disbursement budget in 2024 by \$60,758. This was primarily due to personnel and materials and supplies costs being below budget in total of \$85,393.

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

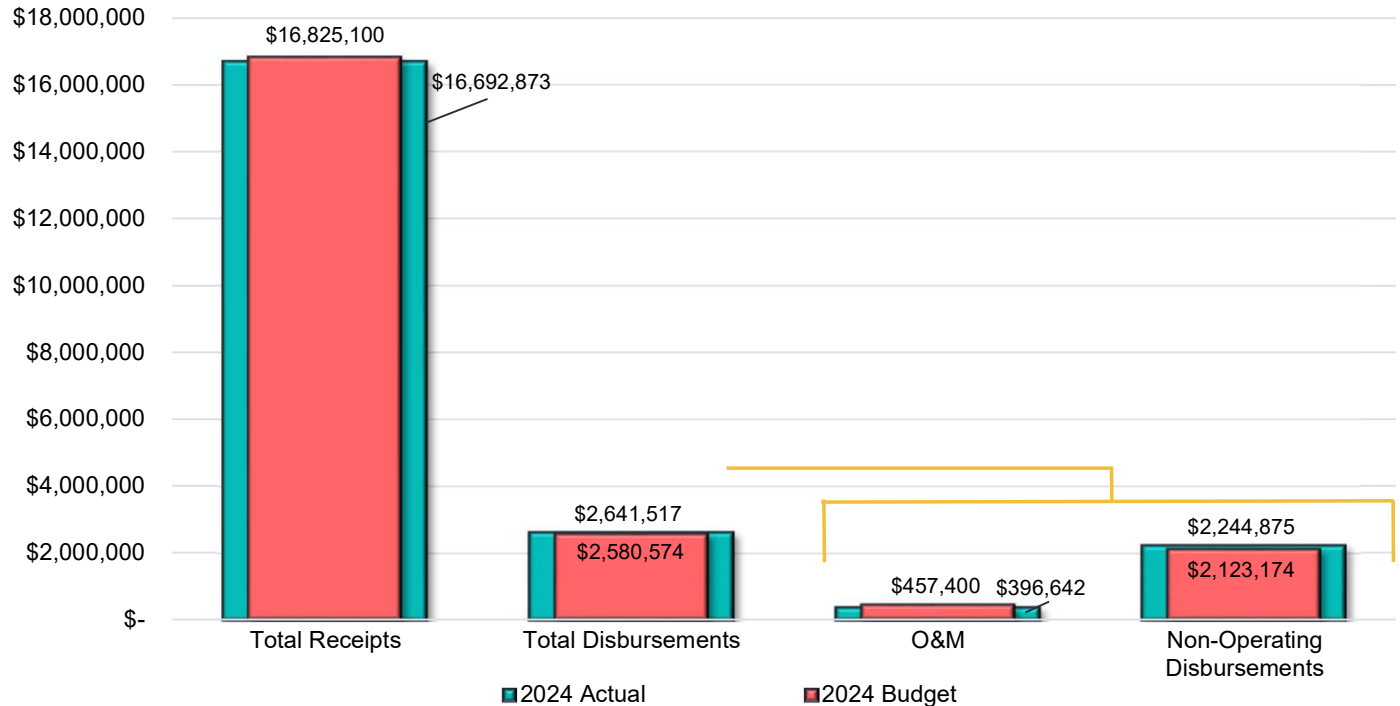
Table 6
Non-Operating Disbursements

	2024 Actual	2024 Budget	Over/(Under) 2024 Budget Dollar	Percentage
Capital Improvements				
Infrastructure - bond/BAN funded	\$419,947	\$419,947	\$ -	
Improvements other than buildings	146,701	-	146,701	
Allowance for Capital Improvements	-	25,000	(25,000)	
Subtotal	566,648	444,947	121,701	27.4%
Other Non-Operating Disbursements				
BAN Payoff	1,678,227	1,678,227	-	
Total Non-Operating Disbursements	\$2,244,875	\$2,123,174	\$121,701	5.7%

The Utility did not have a formal capital budget adopted for 2024. The 2024 budget amount is derived from the Cost of Service prepared by Baker Tilly on March 27, 2024 to provide an allowance for capital and to meet debt service coverage requirements. The 2024 capital budget also includes the BAN/Bond related capital and BAN pay off to Horizon Bank.

In total for 2024, the Utility experienced a positive cash flow of \$14,051,356 as shown below. The 2024 budget anticipated a positive cash flow of \$14,244,526, which resulted in a negative budget variance of \$193,070.

Table 7
Budget to Actual Revenues and Expenses



(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

Estimated Future Health

The most important part of a financial health check is to analyze where the Utility is going in the future. We have used historical trends, management information and reserve requirements to analyze the adequacy of rates and charges, estimate future fund balances and provide recommendations to improve the financial health of the Utility.

Table 8
Estimated Receipts

	2024 Actual	Estimated				
		2025	2026	2027	2028	2029
Operating Receipts:						
Metered Sales	\$758,484	\$1,062,700	\$1,164,400	\$1,266,100	\$1,266,100	\$1,266,100
Fire Protection - Sprinklers	25,658	64,700	72,300	79,800	79,800	79,800
Hydrant Rentals	137,858	245,900	275,300	304,800	304,800	304,800
Penalties	23,383	9,800	9,800	9,800	9,800	9,800
Subtotal	945,383	1,383,100	1,521,800	1,660,500	1,660,500	1,660,500
Non-Operating Receipts:						
Connection Fees	7,265	-	-	-	-	-
Meter Deposits (net)	3,600	-	-	-	-	-
Reimbursements	9,068	-	-	-	-	-
Interest Income	5,273	5,200	7,300	10,500	12,900	15,100
Bond Proceeds	15,709,000	-	-	-	-	-
Other Income	13,284	-	-	-	-	-
Subtotal	15,747,490	5,200	7,300	10,500	12,900	15,100
Total Receipts	\$16,692,873	\$1,388,300	\$1,529,100	\$1,671,000	\$1,673,400	\$1,675,600

Estimated receipts for 2025 are based on 2023 collections and normalized to show one full year of the phase I increase. 2026 assumes the second phase of rate increases are effective in May and collections begin in July. 2027 and beyond assume a full year of the second phase increase. It assumes no customer growth.

Table 9
Estimated Operating Disbursements

	2024 Actual	Estimated				
		2025	2026	2027	2028	2029
Personnel	\$259,339	\$267,200	\$275,200	\$283,500	\$292,100	\$300,900
Repairs and Maintenance	35,397	25,400	26,200	27,000	27,800	28,600
Contractual Services	12,081	27,600	28,400	29,300	30,200	31,100
Materials and Supplies	13,968	16,200	16,700	17,200	17,700	18,200
Utilities	50,595	52,200	53,800	55,400	57,100	58,800
Other Operating	25,262	31,600	32,600	33,600	34,600	35,600
Total Operating Disbursements	\$396,642	\$420,200	\$432,900	\$446,000	\$459,500	\$473,200

The 2025 operating disbursements budget was calculated based on historical activity and input from Utility management. Years 2026 through 2029 include estimated annual inflationary increases of 3%.

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

Table 10
Estimated Debt Service

	2024 Actual	2025	2026	Estimated 2027	2028	2029
Principal	\$ -	\$2,000	\$2,000	\$257,000	\$267,000	\$277,000
Interest	-	608,500	576,400	574,000	564,500	554,600
BAN Payoff	1,678,227	-	-	-	-	-
Total Debt Service	<u>\$1,678,227</u>	<u>\$610,500</u>	<u>\$578,400</u>	<u>\$831,000</u>	<u>\$831,500</u>	<u>\$831,600</u>

Table 10 includes the Utility's annual payments on the Outstanding Bonds, see additional details on pages 9 and 10.

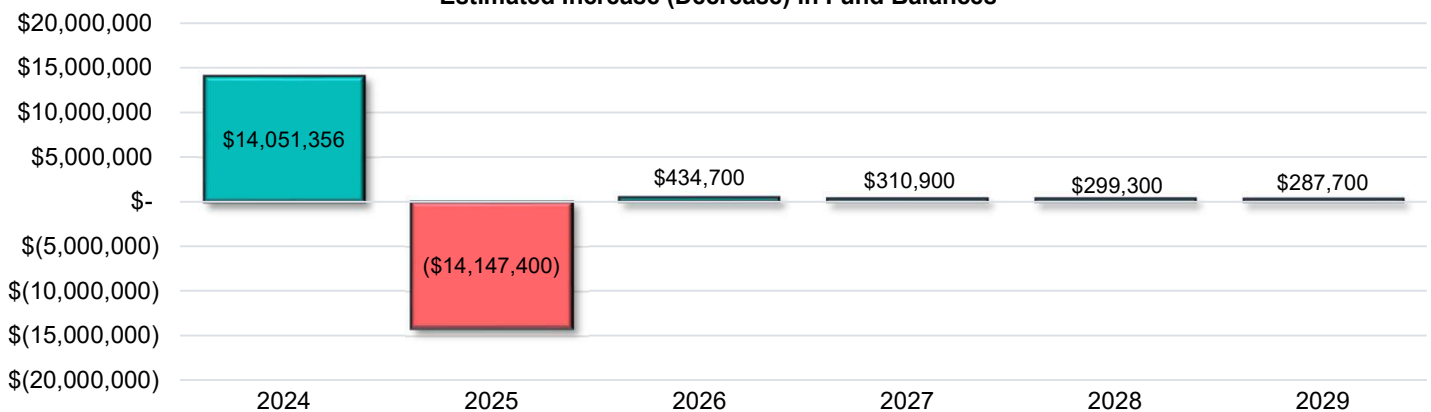
Table 11
Estimated Capital

	2024 Actual	2025	2026	Estimated 2027	2028	2029
Infrastructure - bond funded	\$419,947	\$14,420,400	\$ -	\$ -	\$ -	\$ -
Improvements other than buildings	146,701	-	-	-	-	-
Capital allowance	-	83,100	83,100	83,100	83,100	83,100
Total Capital	<u>\$566,648</u>	<u>\$14,503,500</u>	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$83,100</u>

Capital improvements for years 2025 through 2029 are based on a 3-year historical average between 2022 and 2024. Refer to page 11 for additional detail on capital needs.

In summary, with a twelve month delay to the phase II rate increase and no customer growth, we estimate the Utility will experience a net positive cash flow over the next five years if we exclude the spend down of the construction fund.

Table 12
Estimated Increase (Decrease) in Fund Balances



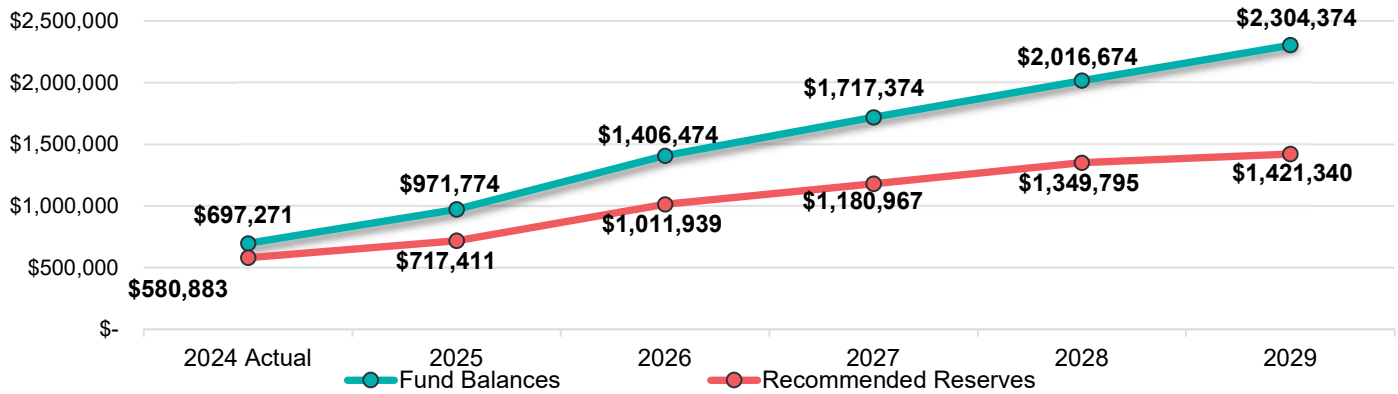
(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

FINANCIAL MANAGEMENT REPORT

The estimated impact on fund balances can be seen below in Table 13. It is estimated that the Utility will remain above the recommended reserve levels. Note: The construction fund balances are excluded, it is assumed to be fully spent down in 2025.

Table 13
Estimated Fund Balances vs. Recommended Reserves



Conclusion

The financial analysis provided in this report offers a comprehensive view of the Utility's fiscal health, operational efficiency, and key financial trends over the past three years. The review of fund balances, cash flow patterns, operating costs, and budget-to-actual performance provides a foundation for evaluating the Utility's ability to meet financial obligations and maintain sustainable operations. Additionally, the five-year cash flow estimates included in this analysis offer a forward-looking perspective, highlighting expected financial trends and helping to anticipate future challenges or opportunities.

(Internal Use Only)
(No Assurance is Provided on this Financial Analysis)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

SUPPLEMENTAL DATA

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$15,709,000 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				Bond Year Total
		Principal	(%)	Interest	Total	
	(----In Thousands----)		(%)	(-----In Dollars-----)		
01/01/25	\$15,709	\$1	3.67	\$320,289.06	\$321,289.06	
07/01/25	15,708	1	3.67	288,241.80	289,241.80	\$610,530.86
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		\$6,920		\$10,063,735.36	\$16,983,735.36	\$16,983,735.36

(Continued on next page)

(Internal Use Only)

(No Assurance is Provided on this Supplementary Information)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$15,709,000 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				Bond Year Total
		Principal	%	Interest	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		<u>\$15,709</u>		<u>\$12,498,743.66</u>	<u>\$28,207,743.66</u>	<u>\$28,207,743.66</u>
Maximum Annual Debt Service:						<u>\$832,140.20</u>

(Internal Use Only)

(No Assurance is Provided on this Supplementary Information)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF ESTIMATED CAPITAL IMPROVEMENTS

(Per Utility Management)

Project	2025	2026	2027	2028	2029	Totals
Water Tower	\$5,750,000 *	\$ -	\$ -	\$ -	\$ -	\$5,750,000
Water Main and Well	5,987,307 *	-	-	-	-	5,987,307
Capital allowance (1)	83,100	83,100	83,100	83,100	83,100	415,500
Subtotals	11,820,407	83,100	83,100	83,100	83,100	12,152,807
Less Bond/Grant funding	(11,737,307)	-	-	-	-	(11,737,307)
Totals	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$83,100</u>	<u>\$415,500</u>
Average Annual Capital Improvements						<u>\$83,100</u>

(1) Allowance derived from the 3 year historical average.

* Related to 2024 bond issuance project. Costs are not inclusive of contingency and non-construction costs.

(Internal Use Only)

(No Assurance is Provided on this Supplementary Information)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

LARGE USER ANALYSIS

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 illustrate the revenue data for the largest customers of the Utility. The Utility's large users consumed 16 million gallons less water in 2024 than in 2023. It can be seen that the large customers account for approximately 45.5% of the Utility's total metered sales, with Monogram Comfort Foods alone accounting for 26.8%.

Table 16
Large Users Historical Receipts

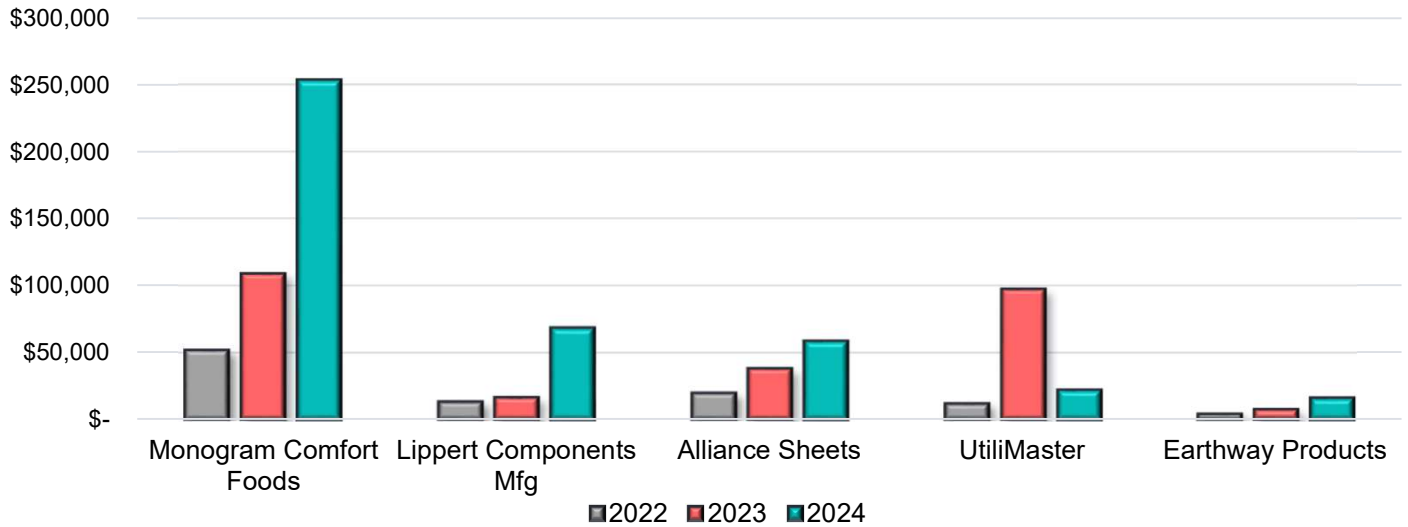
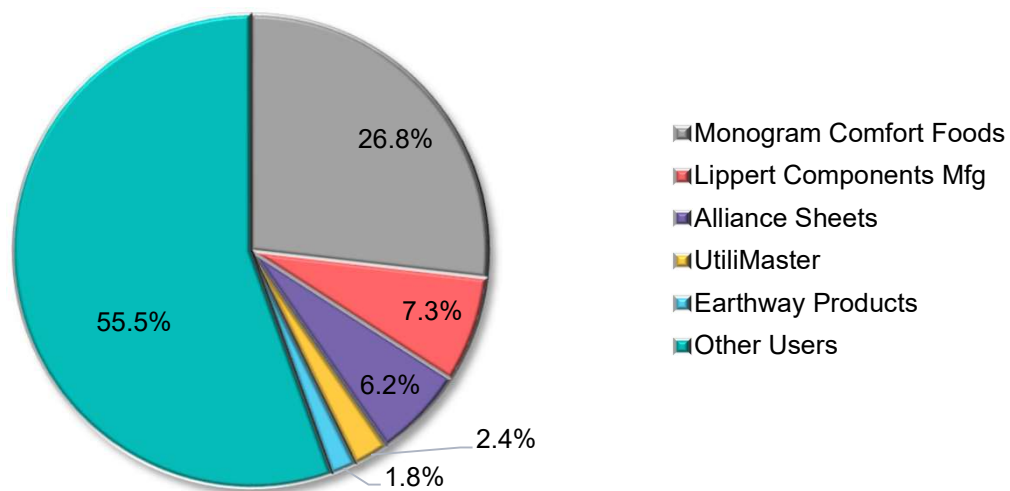


Table 17
Large Users Concentration by Receipts



(Internal Use Only)
(No Assurance is Provided on this Supplementary Information)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT RATES AND CHARGES

		Present Rates		Proposed Rates	
				Effective May 1, 2026	
<u>Metered Consumption per Month</u>		<u>Inside Town</u>	<u>Outside Town</u>	<u>Inside Town</u>	<u>Outside Town</u>
First 15,000	Gallons	\$9.14	\$10.42	\$10.92	\$12.45
Next 105,000	Gallons	8.97	10.23	10.81	12.32
Over 120,000	Gallons	6.14	7.00	7.25	8.27
<u>Minimum Charge per Month</u>					
<u>Meter Size</u>					
5/8"		\$18.28	\$20.84	\$21.84	\$24.90
1"		31.83	36.29	38.03	43.36
1 1/4"		48.44	55.23	57.88	65.99
1 1/2"		66.68	76.01	79.66	90.82
2"		119.05	135.72	142.23	162.16
3"		289.44	330.04	347.39	395.98
4"		560.84	639.57	674.46	768.75
6"		1,409.16	1,606.91	1,688.76	1,925.11
<u>Hydrant Rental per Annum</u>					
<u>Customer Type</u>					
Municipal		\$1,209.57	\$1,378.91	\$1,458.16	\$1,662.30
Private		729.08	831.15	873.78	996.11
<u>Sprinkler Fee per Annum</u>					
<u>Meter Size</u>					
4"		\$250.99	\$286.13	\$300.81	\$342.92
6"		729.08	831.15	873.78	996.11
8"		1,553.73	1,771.25	1,862.10	2,122.79
10"		2,715.89	3,096.11	3,348.65	3,817.46

(1) Per Ordinance No. 04-16-2024-9, adopted April 16, 2024.

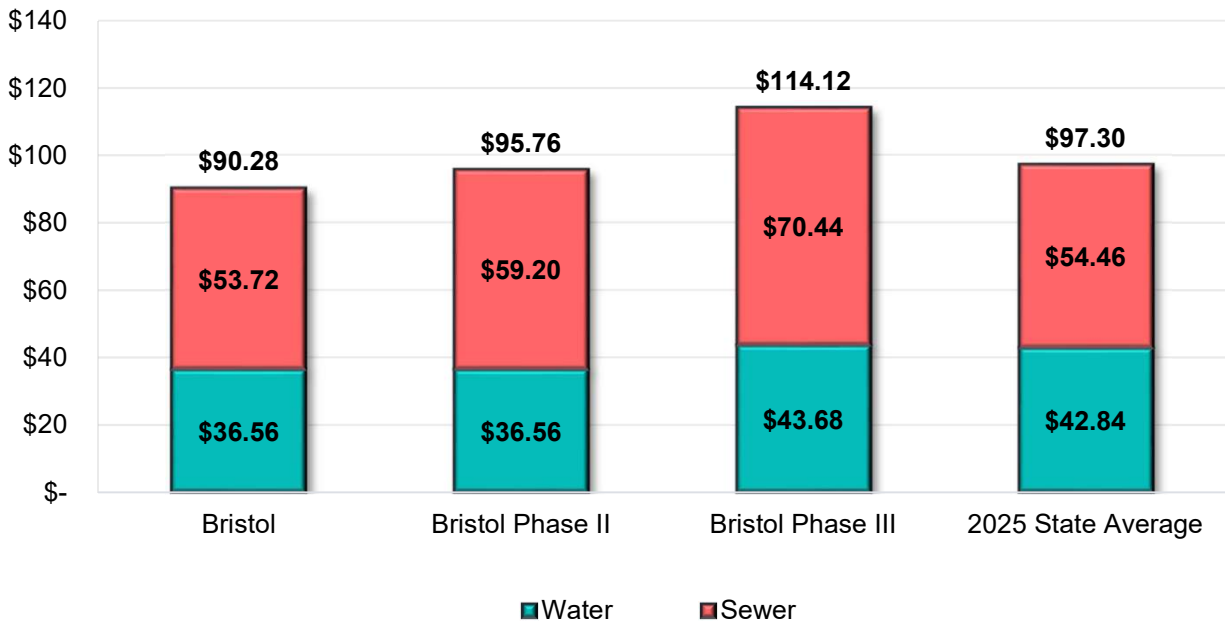
(Internal Use Only)
(No Assurance is Provided on this Supplementary Information)

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

COMPARISON OF COMBINED WATER AND SEWER RATES

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. Table 18 compares the Utility'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.

Table 18
Comparison of Combined Monthly Rates
(Based on 4,000 Gallons)



(Internal Use Only)
(No Assurance is Provided on this Supplementary Information)