

DEBT SERVICE

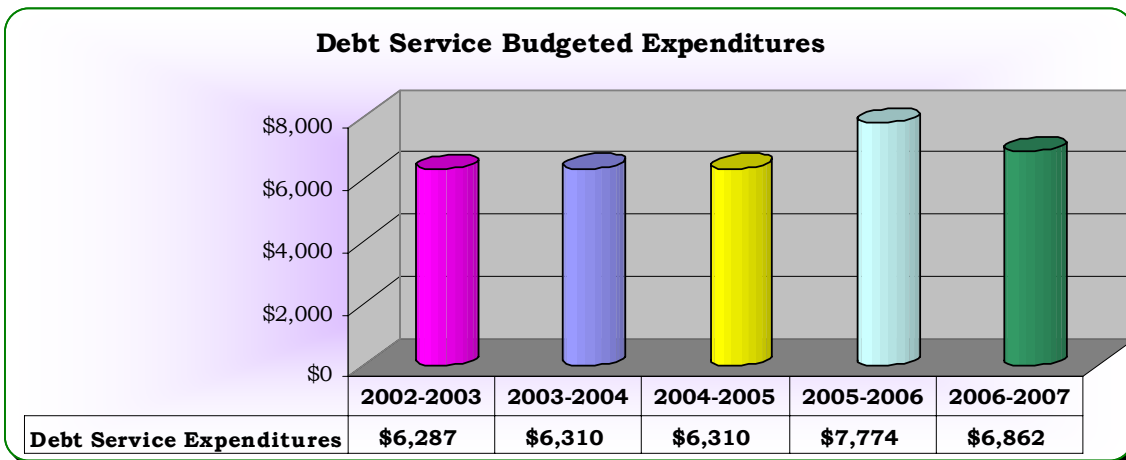
Program Summary

This series of line items reflects those expenditures made by the City for principle and interest payments for short and long-term debt. A debt service fund was created for the payments made to service this type of debt. The debt service fund is not a budgetary fund. Deposits to the debt service fund are in the form of operating transfers out of the general fund.

Shown below are the budgeted expenditures in the debt service fund during the past five fiscal years.

Debt Service Budgeted Appropriations - Last 5 Years

2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
\$6,287,095	\$6,310,360	\$6,310,360	\$7,774,255	\$6,862,215



Numbers in the above chart are in thousands.

Program Commentary

Capital infrastructure is essential to all municipalities large and small. The amounts budgeted and expended for debt service have a direct relationship to the City's strategies for financing capital improvements. It is important to prepare a short-term and a long-term plan for the replacement and/or addition of City fixed assets and to estimate the available funding sources. To implement both plans (short and long-term), the City prepares a Capital Improvement Program (CIP). A Capital Improvement Program is a multi-year plan spanning 5-years that identifies capital projects to be funded during the planning period. This represents the City's long-term infrastructure plan. The City also approves a Capital Budget, which represents the first year of the capital improvement program. The Capital Budget, starting on page 355, is the City's annual appropriation for capital spending and is legally adopted by the City.

Debt Service-Program Commentary (continued)

The City uses a policy of providing a mix of current revenues, state and federal grants, intergovernmental contributions, and bond proceeds to fund its capital projects.

However, given the advantageously low long-term debt rate environment during the past couple of years, the City has consciously chosen to issue long-term general obligation debt for its larger capital projects.

Bond Rating

The Government Finance Officers Association (GFOA) Elected Official's Guide to Rating Agency Presentations Describes a **bond rating** as an independent assessment of the relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The rating focuses on the city's ability and willingness to make full and timely payments. The City of Bristol uses the services of all three rating agencies.

There are three primary agencies that rate debt issuances of private and for-profit entities. They are: Moody's Investors Service, Standard & Poor's Ratings Service, and Fitch Inc.

Bond ratings are public information, and the rating agencies use a number of means to distribute their ratings to a wide audience. Investors are the most common users of bond ratings. But because ratings are so accessible and easy to understand, the media, policy makers, and taxpayers also use them and often consider the rating an indication of a municipality, like Bristol's, overall fiscal health.

A credit rating does affect the cost of borrowing. A high bond rating indicates low credit risk to the investor, low risk results in a higher sale price and lower coupon interest rates for the bond's issuer (the City). When all other factors are held constant, borrowing will be less costly for an issuer with a lower rating.

In assigning a credit rating, the rating agency's primary concern is the issuer's willingness and ability to repay the debt on time and in full. Different factors are then analyzed. The credit analyst will focus on four primary factors. They are:

- ✓ **Debt management** – An assessment of the community's ability to support existing and planned debt obligations, using key financial ratios as indicators, such as debt per capita and overall debt burden.
- ✓ **Administrative issues** – A review of the organization and authority of government's administration and the services for which it is directly responsible. Also included in this category is an assessment of the goals and philosophies of management and the type of budgeting used.
- ✓ **Financial performance** – An analysis of revenue and expenditure trends and the adequacy, dependability, and scope of revenues, including the issuer's ability to tap into additional revenue sources for debt service. This category also includes financial position and the size and composition of fund balance.
- ✓ **Economic base** – An evaluation of the jurisdiction's economic outlook focusing on the tax base, income, population, employment, diversity and composition of employers, building permits, vacancy rates, and real estate values.

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Debt Service- Bond Rating (continued)

Of all the factors, the economic base tends to carry the most weight in rating, but it is also the category over which issuers have the least amount of control. Also of prime importance is financial performance. The other two factors – administrative factors and debt management – were considered “lesser” factors in the past, have been placed to the forefront by the rating agencies. In fact, all three agencies have cited: “Bristol’s experienced and capable fiscal management has contributed to its consistent financial performance.”

The City of Bristol received upgrades to its credit rating given by Moody’s and Standard & Poor’s in August, 2000.

Moody’s rating went from A1 to Aa3. Standard & Poor’s rating went from A to AA.

The City applied for a first time Fitch rating, for it’s long-term debt issuance which occurred in September 2004. Fitch rated Bristol’s debt issuance AA, a very high credit quality rating.

The following is a Ratings Guide to the three public rating agencies:

Rating Guide

Rating	Description
Fitch IBCA	
AAA	Highest credit quality
AA (+ or -)*	Very high credit quality
A (+ or -)	High credit quality
BBB (+ or -)	Good credit quality
BB (+ or -)	Speculative
B (+ or -)	Highly speculative
CCC,CC,C (+ or -)	High default risk
D	In default
Moody’s	
Aaa	Best quality
Aa1, Aa2, Aa3	High quality by all standards
A1, A2, A3	Upper medium grade
Baa1, Baa2, Baa3	Medium grade
Ba1, Ba2, Ba3	Has speculative elements
B1, B2, B3	Generally lacks characteristics of a desirable investment
Caa	Poor standing; may be in default
Ca	Speculative in a high degree; often in default
C	Lowest rated class of bonds; extremely poor prospects
Standard & Poor’s	
AAA	Highest quality; extremely strong capacity to pay
AA (+ or -)	High quality; very strong capacity to pay
A (+ or -)	Strong capacity to pay principal and interest
BBB (+ or -)	Adequate capacity to pay principal and interest
BB (+ or -)	Low speculative
B (+ or -)	Speculative
CCC,CC (+ or -)	High speculation
C	Income bonds on which no interest is being paid
D	In default
* “+” or “-” may be added to Fitch IBCA and Standard & Poor’s ratings to indicate the relative positions of a credit within a rating category. The digits 1-3 appended to Moody’s ratings perform the same function.	

**Program Summaries-
Debt Service**

Debt Service- (continued)

The Past (Debt Issuances)

The City's last debt issuance, was relatively recently. \$22,965,000 was issued on September 30, 2004 for the following projects:

Main Library Renovation and Expansion-	\$10,858,000
Radio Update-	4,645,000
Downtown Revitalization Phase 1-	1,685,000
Robert's Property Acquisition-	1,175,000
George Street Reconstruction-	1,050,000
Chizinski Property Acquisition-	335,000
Main St. Property Acq. and Remediation-	920,000
Youth Services- 51 High Street-	650,000
Wolcott Street Water Pump Station-	600,000
Board of Education Facilities-	500,000
Brook Street Sidewalks-	330,000
Maple Avenue Sidewalks, Phase 1-	<u>225,000</u>
Total:	\$22,965,000

Current Budget (Debt Service)

The City has budgeted \$6,862,215 for existing debt service obligations in the 2006-2007 fiscal budget. Included in this amount, is \$500,000 which has been set side in the general obligation interest account, for bond issues that may be issued this fiscal year to reimburse ourselves for previously approved Capital Projects that were funded from General Fund reserves.

On March 14, 2006, the City issued short-term notes in the amount of \$11,000,000 due on December 6, 2006. The notes were issued for the following projects shown in the chart below:

SHORT TERM NOTE ISSUE EXPIRES December 6, 2006				
BONDING TYPE	PROJECT	BONDING AMOUNT		
		APPROPRIATED	NOTE ISSUE	
WATER	Mountain Road Pump Station	\$300,000	\$294,000	(1)
WATER	Witches Rock Storage Tank	1,600,000	1,600,000	(1)
GENERAL	Perkins Street Reconstruction Part 1	2,318,000	1,456,000	
GENERAL	Rockwell Park (Mrs. Rockwell Pool) Renovation	910,000	910,000	
SCHOOL	Ivy Drive Renovations	5,699,625	3,370,000	
SCHOOL	Mountain View Renovations	5,730,380	3,370,000	
Total		\$16,558,005	\$11,000,000	
(1)	Self-supporting Water Debt			

**Program Summaries-
Debt Service**

Debt Service (continued)

Plan of Refunding

A refunding is a bond financing procedure in which the issuer, the City of Bristol, in this case, refinances an outstanding bond issue by issuing new bonds.

On June 21, 2005, the City issued \$13,055,000 in general obligation Refunding Bonds.

This was an “Advanced Refunding,” where the prior, refunded bonds are left outstanding until maturity or their first call date, which may be years in the future.

The City took advantage of what is called a “high-to-low” refunding for interest rate savings.

Capital Project Loan Obligation

The City entered into a Project Loan and Project Grant Agreement dated February 6, 2006 between the State of Connecticut and the City of Bristol at an annual rate of 2%. The purpose of the loan is for Water Pollution Control nitrogen removal.

Shown below are the Clean Water Loan projects that were received by the City of Bristol. On page 309, a schedule of the remaining balances can be found.

Contract #	Date of Issuance	Amount Issued
415 D/C	6/30/2002	\$1,409,533.19
498 D/C	6/30/2002	\$1,483,380.00
504 C	12/31/2003	\$1,488,101.08
562 C	11/30/2004	\$693,527.00
464 C	5/31/2006	\$470,225.00
Total Cleanwater		\$5,544,766.27

Capital Projects

A detailed explanation of approved Capital Projects for the upcoming year to be funded, in past, by debt issuance may be found behind the ‘Capital Budget Summary’ located toward the back of this document. It is anticipated that the City will issue approximately \$20-25 million of debt in the winter of 2006 or Spring of 2007, depending on cash needs and economic conditions. A more comprehensive review of the Capital projects can be found behind the Capital Projects Tab in this document. Located on page 310 of this document is a listing of bonding appropriations the City has made within the Capital Projects Funds.

The Future (Debt Policy)

In keeping with its debt policy and long-term goals, the City will strive not to issue bonds more frequently than once every two fiscal years. The City will also try to ensure its bonded debt per capita does not exceed \$900. The City adopted a debt policy

**Program Summaries-
Debt Service**

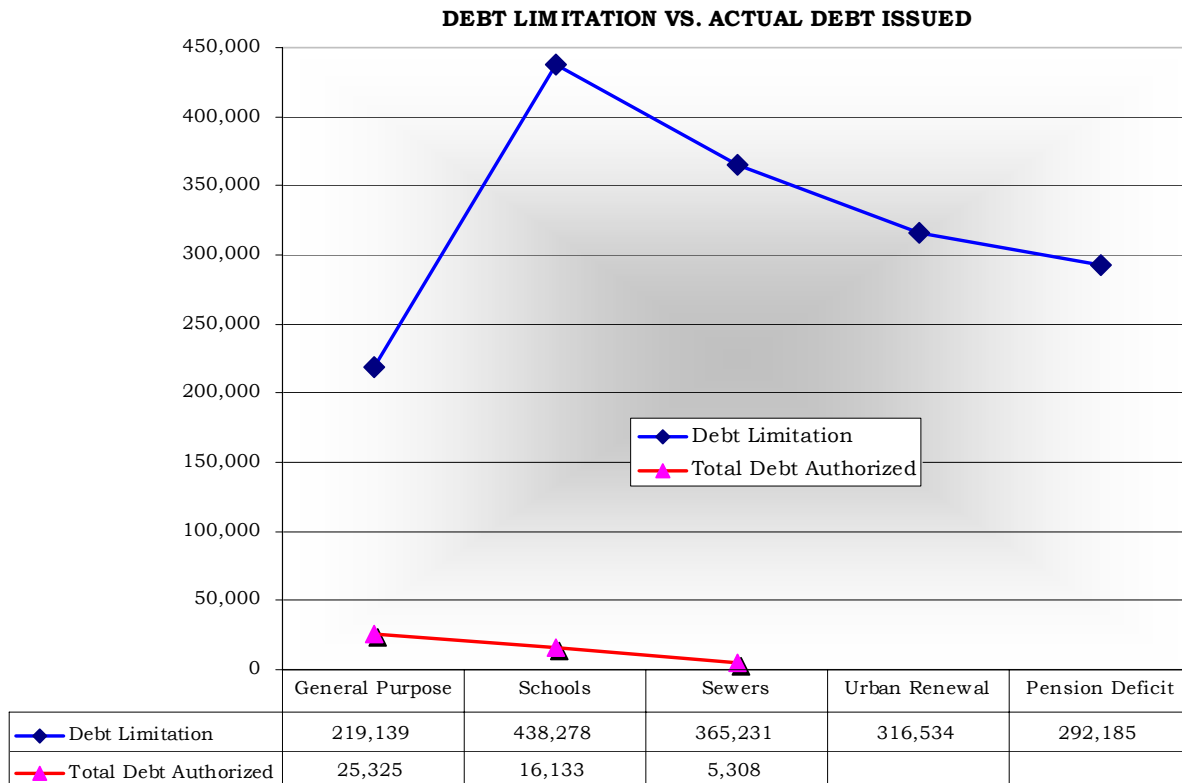
Debt Service (continued)

on May 22, 2001 that can be found behind the “Policy Initiatives” tab in this budget document.

The City issues debt only for projects included in the Capital Improvement Program and approved in the capital improvement budget. Before doing so, the City reviews the status of previously approved projects, develops information for new projects, and examines capital project alternatives. Debt levels are carefully analyzed to assess how much borrowing capacity to allow. Taken into consideration are environmental factors, such as community needs and resources, external economic conditions, and financial factors, such as expected year-end operating position, financial condition, proposed debt structure, market conditions, fund balance levels, as well as statistical benchmarks known to be considered by rating agencies. Used in combination, these factors help aid the current debt service decision making process and also keep debt within manageable bounds for future debt issuance considerations.

The City prefers its debt structure to be level and to have a relatively rapid payback period, which keeps the bond year short. Again, this strategy is viewed positively by rating agencies and allows the community to take advantage of the year-to-year reduction of debt service for other purposes.

Finally, Connecticut municipalities fall under laws of state statutes to keep debt issuance's within statute provided limits. While these authorized versus issued limits are set reasonably high, the City of Bristol is conscious of these limits and the City's total debt outstanding is well below these limits. Shown below is a graphical representation the debt limitation imposed by the State of Connecticut vs. the actual debt authorized by the City of Bristol.



The chart information is obtained from the next page's chart on the Schedule of Debt Limitation as of June 30, 2005.

**Program Summaries-
Debt Service**

Debt Service- Schedule of Debt Limitation (continued)

SCHEDULE OF LEGAL DEBT LIMITATION

State of Connecticut general statutes indicate that *in no case shall total indebtedness exceed seven times annual receipts from taxation.*

The chart on the next page shows the City of Bristol Debt Limitation and actual debt authorized in the five major categories; General Purpose, Schools, Sewers, Urban Renewal and Pension Deficit. The chart clearly indicates that Bristol is well below the statutory requirements for debt issuance. Amounts shown are in thousands.

**SCHEDULE OF DEBT LIMITATION
JUNE 30, 2005**

Total Tax collections, including interest and lien fees						\$97,368
Reimbursement for loss of revenue:						
Tax relief for the elderly - freeze						<u>27</u>
BASE						<u><u>\$97,395</u></u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>	
Debt limitation:						
2 1/4 times base	\$219,139					
4 1/2 times base		\$438,278				
3 3/4 times base			\$365,231			
3 1/4 times base				\$316,534		
3 times base					\$292,185	
Total	<u>219,139</u>	<u>438,278</u>	<u>365,231</u>	<u>316,534</u>	<u>292,185</u>	
Indebtedness:						
Bonds payable	25,325	17,925	5,308			
Bonds authorized, and unissued		39 *				
Total	<u>25,325</u>	<u>17,964</u>	<u>5,308</u>			
Less:						
State and Federal grants in aid accounts receivable		(1,831)				
Total	<u>25,325</u>	<u>16,133</u>	<u>5,308</u>			
Debt limitation in excess of outstanding and authorized debt	<u>\$193,814</u>	<u>\$422,145</u>	<u>\$359,923</u>	<u>\$316,534</u>	<u>\$292,185</u>	

*Bonds authorized, and unissued have been reduced by State of Connecticut grant commitments in the amount of \$21,251,000.

Note: In no event shall total debt exceed seven times annual receipts from taxation.
The maximum permitted under this formula would be \$681,765,000

**Program Summaries-
Debt Service**

Debt Service (continued)

Budget Highlights

0018010 LONG TERM DEBT- PRINCIPAL

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2004-2005	ORIGINAL BUDGET 2005-2006	REVISED BUDGET 2005-2006	BUDGET REQUEST 2006-2007	JOINT BOARD APPROVED 2006-2007
LONG TERM DEBT- PRINCIPAL							
588111		SCHOOL DEBT	3,200,000	3,004,600	3,004,600	\$ 2,770,000	\$ 2,770,000
588112		GENERAL IMPROVEMENT	1,090,000	2,350,400	2,350,400	1,955,000	1,955,000
588115		SEWER OPERATING DEBT	115,000	125,000	125,000	130,000	130,000
TOTAL LONG TERM DEBT PRINCIPAL			\$4,405,000	\$5,480,000	\$5,480,000	\$4,855,000	\$4,855,000
TOTAL LONG TERM DEBT PRINCIPAL			\$4,405,000	\$5,480,000	\$5,480,000	\$4,855,000	\$4,855,000

0018020 LONG TERM DEBT- INTEREST

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2004-2005	ORIGINAL BUDGET 2005-2006	REVISED BUDGET 2005-2006	BUDGET REQUEST 2006-2007	JOINT BOARD APPROVED 2006-2007
LONG TERM DEBT INTEREST							
588121		SCHOOL DEBT	\$976,378	\$824,590	\$824,590	\$636,185	\$636,185
588122		GENERAL IMPROVEMENT	613,638	921,845	921,845	829,645	829,645
588125		SEWER OPERATING DEBT	53,270	47,820	47,820	41,385	41,385
TOTAL LONG TERM DEBT INTEREST			\$1,643,286	\$1,794,255	\$1,794,255	\$1,507,215	\$1,507,215
TOTAL LONG TERM DEBT INTEREST			\$1,643,286	\$1,794,255	\$1,794,255	\$1,507,215	\$1,507,215

0018040 SHORT TERM DEBT INTEREST

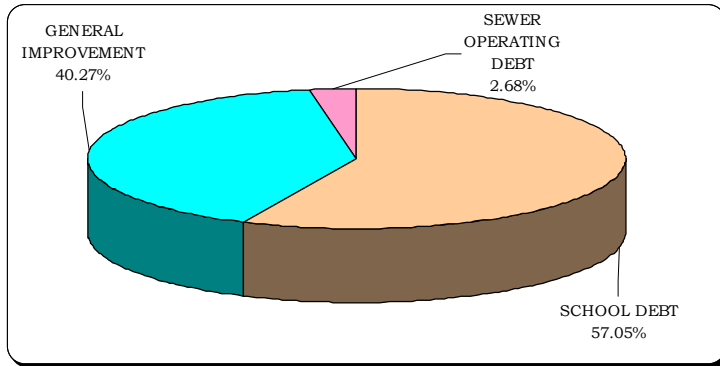
OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2004-2005	ORIGINAL BUDGET 2005-2006	REVISED BUDGET 2005-2006	BUDGET REQUEST 2006-2007	JOINT BOARD APPROVED 2006-2007
DEBT SERVICE TRANSFER OUT							
588122		GENERAL IMPROVEMENT DEBT- INTEREST	\$34,013	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL DEBT SERVICE TRANSFER OUT			\$34,013	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL DEBT SERVICE TRANSFER OUT			\$34,013	\$500,000	\$500,000	\$500,000	\$500,000

0018050 DEBT SERVICE TRANSFER OUT

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2004-2005	ORIGINAL BUDGET 2005-2006	REVISED BUDGET 2005-2006	BUDGET REQUEST 2006-2007	JOINT BOARD APPROVED 2006-2007
DEBT SERVICE TRANSFER OUT							
590000		DEBT SERVICE TRANSFERS OUT	(\$6,082,298)	(\$7,774,255)	(\$7,774,255)	(6,862,215)	(\$6,862,215)
TOTAL DEBT SERVICE TRANSFER OUT			(\$6,082,298)	(\$7,774,255)	(\$7,774,255)	(\$6,862,215)	(\$6,862,215)
TOTAL DEBT SERVICE TRANSFER OUT			(\$6,082,298)	(\$7,774,255)	(\$7,774,255)	(\$6,862,215)	(\$6,862,215)

**Program Summaries-
Debt Service**

Debt Service (continued)



The graph illustrates three categories for the long-term debt principal for FY 2006-2007. As shown to the left, long-term debt service principal for schools will account for 57.05% or \$2,770,000 of the long-term debt service principal payments, while general improvement debt is 40.27% or \$1,955,000. The remaining

2.68% consists of debt relating to sewer system upgrades.

Shown below and on the following page are the debt service schedules provided by the Treasurer's Office. These schedules indicate each principal and interest payment by bond issuance year. The approved 2006-2007 budget includes \$500,000 in additional interest costs associated with the issuance of short term notes in FY 2005-2006. The additional \$500,000 can be found in the short term general improvement as well as general improvement short term interest on the following debt service tables.

FISCAL YEAR 2006-07 BUDGET					FUNCTION:DEBT SERVICE		
8010 EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND					LONG TERM DEBT PRINCIPAL PAYMENTS		
1	2	3	4	5	6	7	8
INT. RATE	PRINCIPAL PAYMENTS: DESCRIPTION	PMT/ #TTL 2006-07	PRIOR YEAR EXPENDED 2004-05	AMENDED BUDGET 2005-06	REVISED ESTIMATE 2005-06	BUDGET REQUEST 2006-07	APPROVED BUDGET 2006-07
6.24	SCHOOL BONDS - '91		\$200,000	\$200,000	\$200,000	\$0	\$0
5.91	SCHOOL BONDS - '92	15/15	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
4.43	SCHOOL BONDS - '93		100,000	0	0	0	0
5.30	SCHOOL BONDS - '95		125,000	0	0	0	0
4.33	SCHOOL BONDS - '98	9/20	975,000	975,000	975,000	970,000	970,000
4.40	SCHOOL BONDS - '00	6/8	280,000	280,000	280,000	280,000	280,000
3.74	SCHOOL BONDS - '05	1/14	0	68,000	68,000	0	0
588111	TOTAL SCHOOL BONDS		\$3,200,000	\$3,043,000	\$3,043,000	\$2,770,000	\$2,770,000
6.24	IMPROVEMENT - '91	15/15	\$420,000	\$415,000	\$415,000	\$0	\$0
4.43	IMPROVEMENT - '93		30,000	0	0	0	0
4.40	IMPROVEMENT - '00	5/8	640,000	640,000	640,000	640,000	640,000
3.82	IMPROVEMENT - '04	1/17	0	1,325,000	1,325,000	1,315,000	1,315,000
588112	TOTAL GEN'L IMPROVEMENT		\$1,090,000	\$2,380,000	\$2,380,000	\$1,955,000	\$1,955,000
5.05	SEWER REFUNDING - '93	11/18	\$85,000	\$95,000	\$95,000	\$95,000	\$95,000
4.10	SEWER BONDS - '98	7/12	30,000	30,000	30,000	35,000	35,000
3.74	SEWER BONDS - '05	1/6	0	2,000	2,000	0	0
588115	SEWER-OPERATING		\$115,000	\$127,000	\$127,000	\$130,000	\$130,000
8010	SUBTOTAL LONGTERM DEBT PRINCIPAL		\$4,405,000	\$5,550,000	\$5,550,000	\$4,855,000	\$4,855,000
588310	LEASE PURCHASE PRINCIPAL		\$0	\$0	\$0	\$0	\$0
8010	LONG TERM DEBT PRINCIPAL TOTAL		\$4,405,000	\$5,550,000	\$5,550,000	\$4,855,000	\$4,855,000

Debt Service (continued)

**Program Summaries-
Debt Service**

FUND 001		CITY OF BRISTOL, CONNECTICUT			FUNCTION: DEBT SERVICE		
8020		FISCAL YEAR 2006-07 BUDGET			EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND		
LONG TERM DEBT INTEREST PAYMENTS							
1	2	3	4	5	6	7	8
INT. RATE	DESCRIPTION	PRIOR YEAR EXPENDED 2004-05	AMENDED BUDGET 2005-06	REVISED ESTIMATE 2005-06	BUDGET REQUEST 2006-07	BD FIN ESTIMATE 2006-07	APPROVED BUDGET 2006-07
6.24	SCHOOL BONDS -91	\$26,000	\$13,000	\$13,000	\$0	\$0	\$0
5.91	SCHOOL BONDS -92	278,160	185,440	185,440	92,720	92,720	92,720
4.43	SCHOOL BONDS -93	5,000	0	0	0	0	0
5.30	SCHOOL BONDS -95	6,750	0	0	0	0	0
4.34	SCHOOL BONDS -98	598,468	97,100	97,100	58,200	58,200	58,200
4.40	SCHOOL BONDS -00	62,000	48,700	48,700	35,400	35,400	35,400
3.82	SCHOOL BONDS -05	0	375,568	375,568	449,865	449,865	449,865
588121	TOTAL SCHOOL BONDS	\$976,378	\$719,808	\$719,808	\$636,185	\$636,185	\$636,185
6.24	IMPROVEMENT - '91	\$54,275	\$26,975	\$26,975	\$0	\$0	\$0
4.43	IMPROVEMENT - '93	1,500	0	0	0	0	0
4.40	IMPROVEMENT - '00	139,250	108,850	108,850	78,450	78,450	78,450
3.82	IMPROVEMENT - '04	0	804,015	804,015	751,194	751,194	751,194
588122	TOTAL GENL IMPROVEMENT	\$195,025	\$939,840	\$939,840	\$829,644	\$829,644	\$829,644
5.05	SEWER REFUNDING -'93	\$44,435	\$40,185	\$40,185	\$35,340	\$35,340	\$35,340
4.10	SEWER BONDS - '98	8,835	3,400	3,400	2,100	2,100	2,100
3.74	SEWER BONDS - '05	0	3,305	3,305	3,943	3,943	3,943
588125	SEWER-OPERATING	\$53,270	\$46,890	\$46,890	\$41,383	\$41,383	\$41,383
8020	SUBTOTAL LONGTERM DEBT INTEREST	\$1,224,673	\$1,706,538	\$1,706,538	\$1,507,211	\$1,507,211	\$1,507,211
588320	LEASE PURCHASE INT	\$0	\$0	\$0	\$0	\$0	\$0
8020	LONG TERM DEBT INTEREST	\$1,224,673	\$1,706,538	\$1,706,538	\$1,507,211	\$1,507,211	\$1,507,211

FUND 001		CITY OF BRISTOL, CONNECTICUT			SHORT TERM DEBT INTEREST		
		FISCAL YEAR 2005-06 BUDGET			EXPENDITURE ESTIMATE SUMMARY -- GENERAL FUND		
1	2	3	4	6	7	9	
COST CENTER	DESCRIPTION	PRIOR YEAR EXPENDED 2003-04	AMENDED BUDGET 2004-05	REVISED ESTIMATED 2004-05	BUDGET REQUEST 2005-06	APPROVED BUDGET 2005-06	
588121	SCHOOL DEBT INTEREST	\$0	\$0	\$0	\$0	\$0	
588122	GENERAL IMPROVEMENT	43,303	280,685	280,685	200,000	500,000	
588125	SEWER DEBT INTEREST	0	0	0	0	0	
8040	TOTAL SHORT TERM DEBT INTEREST PAYMENTS	\$43,303	\$280,685	\$280,685	\$200,000	\$500,000	

Debt Service (continued)

**Program Summaries-
Debt Service**

Shown below is a chart summarizing all the long-term obligations of the City of Bristol, including the self-supporting water (enterprise) debt. Displayed on the chart is the original issue amount of the long-term obligation as well as the present balance and maturity year.

Debt Summary Long-Term Bonded Debt As of July 1, 2006 (Pro-Forma)					
Issue	Purpose	Rate	Original Issue	Balance Outstanding	Fiscal Year Maturity
3/1/1992	Schools	5.91	22,820,000	1,520,000	2007
12/15/1993	Refunding Bonds- Water	4.76	3,910,000	710,000	2008
12/15/1993	Refunding Bonds- Sewer	5.05	1,490,000	665,000	2013
5/15/1995	Water	5.67	1,640,000	800,000	2014
9/1/1996	Water	5.35	4,260,000	2,325,000	2017
	(6/15/05 PARTIAL REFUND 9/1/1996-Water)		(2,325,000)	(2,325,000)	2017
10/15/1998	School	4.34	17,440,000	12,565,000	2019
	(6/15/05 PARTIAL REFUND 10/15/1998-School)		(10,625,000)	(10,625,000)	2019
10/15/1998	Sewer	4.10	325,000	175,000	2019
	(6/15/05 PARTIAL REFUND 10/15/1998-Sewer)		(105,000)	(105,000)	2019
9/1/2000	Schools	4.40	1,970,000	855,000	2009
9/1/2000	General Improvement	4.40	4,470,000	1,905,000	2009
6/30/2002	Cleanwater Loan 415 D/C	2.00	1,409,533	1,097,774	2021
6/30/2002	Cleanwater Loan 498 D/C	2.00	1,483,380	1,155,288	2021
12/31/2003	Cleanwater Loan 504 C	2.00	1,488,101	1,256,883	2023
10/15/2004	General Improvement	3.82	22,365,000	21,040,000	2022
10/15/2004	Water	3.82	600,000	560,000	2022
11/30/2004	Cleanwater Loan 562 C	2.00	693,527	615,440	2024
6/15/2005	Refunding of 1996 Water Bonds	3.74	2,315,000	2,285,000	2017
6/15/2005	Refunding of 1998 School Bonds	3.74	10,635,000	10,567,000	2019
6/15/2005	Refunding of 1998 Sewer Bonds	3.74	105,000	103,000	2011
5/31/2006	Cleanwater 464 C	2.00	470,225	467,016	2026
Sub-total			<u>\$86,834,766</u>	<u>\$47,612,400</u>	

Below is a chart showing the City of Bristol's bond ratings for bonds issued since 1987.

CITY OF BRISTOL BOND ISSUE RATINGS				
Issue Date	Amount	Moody's Rating	Standard & Poor's Rating	Fitch
October 15, 2004	\$6,440,000	Aa3	AA	AA
September 1, 2000	\$6,440,000	Aa3	AA-	
October 15, 1998	\$17,765,000	A1	AA-	
September 1, 1996	\$4,260,000	A1	AA-	
May 15, 1995	\$2,790,000	A1	AA-	
December 15, 1993	\$6,775,000	A1	AA-	
March 1, 1992	\$23,435,000	A1	AA-	
March 1, 1991	\$9,295,000	A1	AA	
December 15, 1988	\$17,970,000	A1	AA	
February 15, 1988	\$8,765,000	A1	AA	
April 15, 1987	\$10,000,000	A1	AA	

Debt Service (continued)

**Program Summaries-
Debt Service**

Below is a chart illustrating all the City of Bristol's debt. The chart shows the beginning principal balance, principal payments, interest payments and the ending debt balance as well as the cumulative principal percent of debt retired. All debt types (general improvement, education, sewer and water department (enterprise) and Cleanwater loans are shown independently on the next few pages with the same information.

All City Long-term Debt (including Water & Cleanwater Loans) As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$47,612,400	45.2
2007	\$47,612,400	\$5,814,215	\$1,789,507	\$7,603,723	\$41,798,185	51.9
2008	\$41,798,185	\$4,299,144	\$1,531,171	\$5,830,315	\$37,499,041	56.8
2009	\$37,499,041	\$3,934,173	\$1,367,486	\$5,301,659	\$33,564,868	61.3
2010	\$33,564,868	\$2,999,304	\$1,248,908	\$4,248,211	\$30,565,564	64.8
2011	\$30,565,564	\$3,004,537	\$1,129,498	\$4,134,035	\$27,561,027	68.3
2012	\$27,561,027	\$2,974,877	\$1,000,351	\$3,975,228	\$24,586,150	71.7
2013	\$24,586,150	\$2,990,324	\$883,436	\$3,873,760	\$21,595,825	75.1
2014	\$21,595,825	\$2,905,882	\$762,611	\$3,668,493	\$18,689,944	78.5
2015	\$18,689,944	\$2,816,551	\$644,817	\$3,461,368	\$15,873,393	81.7
2016	\$15,873,393	\$2,817,335	\$535,408	\$3,352,743	\$13,056,058	85.0
2017	\$13,056,058	\$2,813,235	\$430,455	\$3,243,690	\$10,242,823	88.2
2018	\$10,242,823	\$2,599,255	\$331,164	\$2,930,419	\$7,643,568	91.2
2019	\$7,643,568	\$2,590,396	\$235,401	\$2,825,798	\$5,053,172	94.2
2020	\$5,053,172	\$1,666,661	\$157,234	\$1,823,895	\$3,386,510	96.1
2021	\$3,386,510	\$1,673,053	\$95,998	\$1,769,051	\$1,713,457	98.0
2022	\$1,713,457	\$1,503,986	\$34,550	\$1,538,536	\$209,471	99.8
2023	\$209,471	\$112,159	\$2,941	\$115,101	\$97,312	99.9
2024	\$97,312	\$48,095	\$1,403	\$49,497	\$49,217	99.9
2025	\$49,217	\$27,913	\$729	\$28,643	\$21,304	100.0
2026	\$21,304	\$21,304	\$178	\$21,482	\$0	100.0
Totals:		\$47,612,400	\$12,183,244	\$59,795,645		

**Program Summaries-
Debt Service**

Debt Service (continued)

The charts below illustrate all the City of Bristol's self-supporting water (enterprise fund) debt, along with the General Improvement Debt.

Self-Supporting Water Debt As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$4,355,000	58.1
2007	\$4,355,000	\$715,000	\$192,679	\$907,679	\$3,640,000	65.0
2008	\$3,640,000	\$715,000	\$161,384	\$876,384	\$2,925,000	71.9
2009	\$2,925,000	\$350,000	\$129,515	\$479,515	\$2,575,000	75.2
2010	\$2,575,000	\$340,000	\$115,890	\$455,890	\$2,235,000	78.5
2011	\$2,235,000	\$340,000	\$100,234	\$440,234	\$1,895,000	81.8
2012	\$1,895,000	\$340,000	\$82,734	\$422,734	\$1,555,000	85.0
2013	\$1,555,000	\$340,000	\$65,490	\$405,490	\$1,215,000	88.3
2014	\$1,215,000	\$340,000	\$48,109	\$388,109	\$875,000	91.6
2015	\$875,000	\$235,000	\$30,759	\$265,759	\$640,000	93.8
2016	\$640,000	\$235,000	\$20,446	\$255,446	\$405,000	96.1
2017	\$405,000	\$230,000	\$11,439	\$241,439	\$175,000	98.3
2018	\$175,000	\$35,000	\$6,431	\$41,431	\$140,000	98.7
2019	\$140,000	\$35,000	\$5,031	\$40,031	\$105,000	99.0
2020	\$105,000	\$35,000	\$3,631	\$38,631	\$70,000	99.3
2021	\$70,000	\$35,000	\$2,209	\$37,209	\$35,000	99.7
2022	\$35,000	\$35,000	\$744	\$35,744	\$0	100.0
Totals:		\$4,355,000	\$976,724	\$5,331,724		

General Improvement Long-term Debt As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$22,945,000	14.5
2007	\$22,945,000	\$1,955,000	\$829,644	\$2,784,644	\$20,990,000	21.8
2008	\$20,990,000	\$1,945,000	\$759,244	\$2,704,244	\$19,045,000	29.0
2009	\$19,045,000	\$1,950,000	\$688,169	\$2,638,169	\$17,095,000	36.3
2010	\$17,095,000	\$1,315,000	\$632,844	\$1,947,844	\$15,780,000	41.2
2011	\$15,780,000	\$1,315,000	\$580,244	\$1,895,244	\$14,465,000	46.1
2012	\$14,465,000	\$1,315,000	\$527,644	\$1,842,644	\$13,150,000	51.0
2013	\$13,150,000	\$1,315,000	\$486,550	\$1,801,550	\$11,835,000	55.9
2014	\$11,835,000	\$1,315,000	\$442,169	\$1,757,169	\$10,520,000	60.8
2015	\$10,520,000	\$1,315,000	\$396,144	\$1,711,144	\$9,205,000	65.7
2016	\$9,205,000	\$1,315,000	\$346,831	\$1,661,831	\$7,890,000	70.6
2017	\$7,890,000	\$1,315,000	\$294,231	\$1,609,231	\$6,575,000	75.5
2018	\$6,575,000	\$1,315,000	\$241,631	\$1,556,631	\$5,260,000	80.4
2019	\$5,260,000	\$1,315,000	\$189,031	\$1,504,031	\$3,945,000	85.3
2020	\$3,945,000	\$1,315,000	\$136,431	\$1,451,431	\$2,630,000	90.2
2021	\$2,630,000	\$1,315,000	\$83,009	\$1,398,009	\$1,315,000	95.1
2022	\$1,315,000	\$1,315,000	\$27,944	\$1,342,944	\$0	100.0
Totals:		\$22,945,000	\$6,661,760	\$29,606,760		

**Program Summaries-
Debt Service**

Debt Service (continued)

The following debt service charts below display the City of Bristol's long-term school and sewer debt.

School Long-term Debt As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$14,882,000	64.8
2007	\$14,882,000	\$2,770,000	\$636,185	\$3,406,185	\$12,112,000	71.3
2008	\$12,112,000	\$1,260,000	\$490,765	\$1,750,765	\$10,852,000	74.3
2009	\$10,852,000	\$1,250,000	\$441,309	\$1,691,309	\$9,602,000	77.3
2010	\$9,602,000	\$956,000	\$402,968	\$1,358,968	\$8,646,000	79.5
2011	\$8,646,000	\$956,000	\$363,533	\$1,319,533	\$7,690,000	81.8
2012	\$7,690,000	\$955,000	\$315,758	\$1,270,758	\$6,735,000	84.1
2013	\$6,735,000	\$965,000	\$267,758	\$1,232,758	\$5,770,000	86.3
2014	\$5,770,000	\$970,000	\$219,383	\$1,189,383	\$4,800,000	88.6
2015	\$4,800,000	\$980,000	\$170,633	\$1,150,633	\$3,820,000	91.0
2016	\$3,820,000	\$975,000	\$126,633	\$1,101,633	\$2,845,000	93.3
2017	\$2,845,000	\$970,000	\$89,188	\$1,059,188	\$1,875,000	95.6
2018	\$1,875,000	\$945,000	\$53,524	\$998,524	\$930,000	97.8
2019	\$930,000	\$930,000	\$17,903	\$947,903	\$0	100.0
Totals:		\$14,882,000	\$3,595,535	\$18,477,535		

Sewer Long-term Debt As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$838,000	53.8
2007	\$838,000	\$130,000	\$41,383	\$171,383	\$708,000	61.0
2008	\$708,000	\$130,000	\$35,090	\$165,090	\$578,000	68.2
2009	\$578,000	\$130,000	\$28,834	\$158,834	\$448,000	75.3
2010	\$448,000	\$129,000	\$22,678	\$151,678	\$319,000	82.4
2011	\$319,000	\$129,000	\$16,193	\$145,193	\$190,000	89.5
2012	\$190,000	\$95,000	\$10,260	\$105,260	\$95,000	94.8
2013	\$95,000	\$95,000	\$5,130	\$100,130	\$0	100.0
Totals:		\$838,000	\$159,566	\$997,566		

**Program Summaries-
Debt Service**

Debt Service (continued)

Cleanwater (SEWER) Loans As of July 1, 2006 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2006					\$4,592,400	17.2
2007	\$4,592,400	\$244,215	\$89,617	\$333,833	\$4,348,185	21.6
2008	\$4,348,185	\$249,144	\$84,688	\$333,833	\$4,099,041	26.1
2009	\$4,099,041	\$254,173	\$79,659	\$333,833	\$3,844,868	30.7
2010	\$3,844,868	\$259,304	\$74,529	\$333,833	\$3,585,564	35.3
2011	\$3,585,564	\$264,537	\$69,295	\$333,833	\$3,321,027	40.1
2012	\$3,321,027	\$269,877	\$63,956	\$333,833	\$3,051,150	45.0
2013	\$3,051,150	\$275,324	\$58,508	\$333,833	\$2,775,825	49.9
2014	\$2,775,825	\$280,882	\$52,951	\$333,833	\$2,494,944	55.0
2015	\$2,494,944	\$286,551	\$47,282	\$333,833	\$2,208,393	60.2
2016	\$2,208,393	\$292,335	\$41,498	\$333,833	\$1,916,058	65.4
2017	\$1,916,058	\$298,235	\$35,597	\$333,833	\$1,617,823	70.8
2018	\$1,617,823	\$304,255	\$29,578	\$333,833	\$1,313,568	76.3
2019	\$1,313,568	\$310,396	\$23,436	\$333,833	\$1,003,172	81.9
2020	\$1,003,172	\$316,661	\$17,171	\$333,833	\$686,510	87.6
2021	\$686,510	\$323,053	\$10,780	\$333,833	\$363,457	93.4
2022	\$363,457	\$153,986	\$5,863	\$159,849	\$209,471	96.2
2023	\$209,471	\$112,159	\$2,941	\$115,101	\$97,312	98.2
2024	\$97,312	\$48,095	\$1,403	\$49,497	\$49,217	99.1
2025	\$49,217	\$27,913	\$729	\$28,643	\$21,304	99.6
2026	\$21,304	\$21,304	\$178	\$21,482	\$0	100.0
Totals:		\$4,592,400	\$789,659	\$5,382,060		



**Program Summaries-
Debt Service**

Debt Service (continued)

Below is a chart showing all the Capital projects that have been approved by the City of Bristol that have not had long-term obligations issued at this time. It is anticipated that a long-term bond issuance will be taking place in late 2006 or early 2007.

OUTSTANDING BONDING APPROPRIATIONS AS OF JUNE 30, 2006		
BONDING TYPE	PROJECT	BONDING AMOUNT APPROPRIATED
GENERAL	Stafford Ave. to Brook (Dredge Brook)	\$200,000
GENERAL	Stafford Avenue Sidewalks Phase 1	230,000
GENERAL	Rockwell Park (Mrs. Rockwell Pool) Renovation	910,000
GENERAL	Downtown Revitalization Phase 1	2,200,000
GENERAL	Downtown Revitalization Phase 2	5,800,000
GENERAL	Revitalization of Parks Study	684,700
SCHOOL	Mountain View School Renovations	5,730,380
SCHOOL	Southside Roof Replacement	220,000
GENERAL	Perkins Street Reconstruction Part 1	2,318,000
GENERAL	Milton & Westwood Road Sidewalks	310,000
GENERAL	Sedimentation Control Traps	75,000
GENERAL	Bike Path	405,040
GENERAL	West Washington Street Bridge	797,880
GENERAL	Merrill Court Reconstruction	280,000
GENERAL	North Creek & Pequabuck Conduit Repair	300,000
GENERAL	Storm Drainage- Vincent Road	240,000
GENERAL	Storm Drainage- Willis Street	450,000
GENERAL	Sediment Control Structures (Cove Rd, Kory Ln, and Lakewood Circle	240,000
GENERAL	Brackett Park Revitalization	900,000
GENERAL	E.G. Stocks Parks Revitalization	1,250,000
SCHOOL	Ivy Drive Renovations	5,699,625
WATER	By-Pass Line Reservoir #1	1,200,000 (1)
WATER	Mountain Road Pump Station	300,000 (1)
WATER	Witches Rock Storage Tank	1,600,000 (1)
Total		\$32,340,625
(1)	Self-supporting Water Debt	

BONDING APPROPRIATIONS BY TYPE	
GENERAL IMPROVEMENT	\$17,590,620
SCHOOLS	11,650,005
WATER (SELF-SUPPORTING)	3,100,000
Total	\$32,340,625