

# City of Hannibal, Missouri Board of Public Works

INVESTING IN OUR COMMUNITY

## Basic Financial Statements and Management's Discussion and Analysis for the Fiscal Year Ended on June 30, 2016



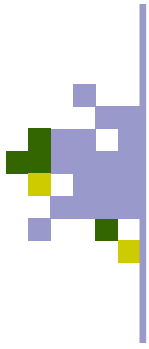
INVESTING IN  
OUR COMMUNITY

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**The mission of the  
Hannibal Board of Public  
Works is to provide safe,  
reliable utility products  
with excellent customer  
service at reasonable  
prices.**



# LETTER FROM THE GENERAL MANAGER

INVESTING IN OUR COMMUNITY

The Hannibal Board of Public Works is pleased to present its Annual Report and audited financial results for the Fiscal Year that ended on June 30, 2016. The theme of this report is “Investing in Our Community” which celebrates the long term vision of our Board to reinvest in modern assets to improve and extend the life of our utility assets.

The Hannibal Board of Public Works has a long history of service to the community. In 1886, only four years after Thomas Edison opened the first electric power plant in the nation, the citizens of Hannibal energized city street lights and industrial sawmills with its own coal fired power plant.

In 1924, the City expanded its ability to treat drinking water taken from the Mississippi River. That plant is in service today, modified and modernized to comply with the latest water quality standards from the US Environmental Protection Agency.

In 1980, the Hannibal Board of Public Works built its second generation Wastewater Treatment Plant to comply with ever more demanding water quality standards related to waste discharge back to the River.

Today, our circumstances have evolved, but our commitment to the Citizens of Hannibal remains as resolute as ever. It is embodied in our Mission Statement. ***“The mission of the Hannibal Board of Public Works is to provide safe, reliable utility products with excellent customer service at reasonable prices.”***

Electric power now comes from a combination of ownership and power supply contracts with providers from other states. We are interconnected with other communities and power suppliers through the use of the nationwide high voltage power grid. Operations of the Water Treatment Plant and the Waste Water Treatment Plant are primarily focused on complying with federal water quality regulations in addition to meeting the needs of the community. Our community is linked in many ways to the larger world around us.

A major task of any municipal utility is continual investment onto assets needed for the community it serves. We invest in two significant ways. One is infrastructure. We have been busy this past year building water main extensions, improving the Water Treatment Plant with new piping, controls, and chemical feed systems; with ongoing study and planning for the sanitary sewer collection specifically to eliminate flooding in the downtown area during times of high river levels; with the deployment of a citywide fiber optics communication system for utility and City use; and with the ongoing rollout of new LED streetlights to name just a few. The second way is by investing in our workers, citizens, and schoolchildren, to train, teach, or share from our excess as opportunities present themselves, reported in the following pages through photos of events throughout the year. Along the way we have won some awards and recognition from our peers in the industry.

Speaking for myself and the whole staff of the Hannibal Board of Public Works, we are honored and privileged to work for the Board and invest in the community of Hannibal during FY 2016.

Sincerely,

Robert W. Stevenson, P.E.  
General Manager

# BOARD OF DIRECTORS

INVESTING IN OUR COMMUNITY

## RANDY PARK

### President

Randy Park is the president of Printex, Inc., a custom design screen printing facility that has been a part of the Hannibal community for almost 30 years. Randy is the Hannibal Board of Public Works Board president, and has served on the HBPW Board for the past seven years.

Born in St. Louis, Missouri, Randy has spent the last 40 years as a Hannibal resident, completing his Bachelor of Science in Business Administration from Hannibal-LaGrange University. Randy has a passion for economic development and a desire to see Hannibal, Missouri thrive.

His community involvement is a direct reflection of his heart for Hannibal as he is a member of several local and state-wide organizations. Randy serves as a board member for Hannibal Regional Hospital, president of the Northeast Missouri Development Authority, member of the Missouri Sports Board of Champions, board member for Hannibal Industrial Development Authority, member of the Hannibal Park Board, and treasurer for the Hannibal YMCA. Randy is also the chairman for the Hannibal Festival Show-Me State Games, which is the largest Olympic-style sports festival in the country.

Randy is also a member of the Northeast Missouri Economic Development Council and chairs the Business Start-Up Committee for the EDC.

Randy and his wife, Gail, live in Hannibal, Missouri and enjoy spending time with their three children, Amber, Jessica and Brett, and their two grandchildren, Molly and Jimmy.

You can reach Randy by emailing [rpark@hannibalbpw.org](mailto:rpark@hannibalbpw.org).

## BETTY ANDERSON

### Vice President

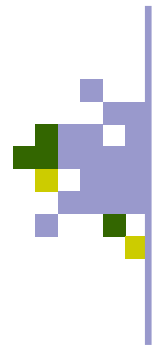
Betty Anderson is the Vice President of Business and Finance at Hannibal-LaGrange University in Hannibal, Missouri, and currently serves as the Hannibal Board of Public Works Board Vice President. Betty has been employed with HLGU for sixteen years and has held a variety of titles including Dean of Business and Finance, Business Office Manager and Accounting Manager.

In 2005, Betty earned her Bachelors of Science in Organizational Management from Hannibal-LaGrange University. She also holds a Master of Science in Management from Liberty University and in 2014 earned her Master of Business Administration from Liberty University.

Betty serves at her local church, Calvary Baptist Church, in Hannibal, Missouri. She also volunteers extra hours of service to Hannibal-LaGrange University. She assists with many different ministries and mission trips and has been on several mission trips including Florida, Argentina, and Ukraine. Betty serves next to her husband and pastor, Jeff Anderson, where they enjoy not only ministering to their own church family but throughout the Hannibal community.

Betty lives in Hannibal with her husband of 41 years, and enjoys spending time with her husband, three children, and six grandchildren.

You can contact Betty by emailing [banderson@hannibalbpw.org](mailto:banderson@hannibalbpw.org).





# BOARD OF DIRECTORS

INVESTING IN OUR COMMUNITY

## TIM GOODMAN

### Board Member

Tim Goodman is the lead pastor at Clover Road Christian Church in Hannibal, Missouri. Tim has been in church leadership for over 40 years, serving as lead pastor for CRCC the past 37 years and lead youth minister for four years. Originally known as South Side Christian Church, Clover Road Christian Church has served the Hannibal community for over 100 years, and is dedicated to leading people to a saving relationship with Jesus Christ.

Tim attended Lincoln Christian College in Lincoln, Illinois and graduated with a Bachelors degree in Christian Education. Working towards a Masters degree in Preaching, Tim went on to complete three years of graduate studies at Lincoln Christian Seminary.

Tim is an active member of the Hannibal community serving on several boards including Birthright Hannibal, where he has served as a board member for over 10 years, Beth Haven Retirement Community, serving as a board member for over 15 years, and Hannibal Board of Public Works, where he has served as a board member for almost three years. In addition to his local service, Tim has served on the board of directors as both a member and past president of Blessing Ranch Ministries in New Port Richey, Florida. Tim has served on the Blessing Ranch board for the past 18 years.

In his spare time, Tim enjoys playing golf and is a lifelong fan of Ohio State football, Cincinnati Bengals football, and Cincinnati Reds baseball. Tim and his wife, Shelly, live in Hannibal and enjoy spending time with their son, Luke, daughter-in-law, Kari, and two grandchildren, Henry and Sadie.

You can contact Tim by emailing [tgoodman@hannibalbpw.org](mailto:tgoodman@hannibalbpw.org).

## TODD KENDALL

### Secretary

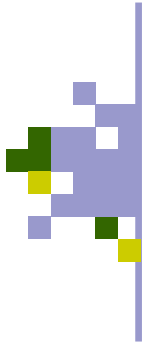
Todd Kendall is the Operations Manager for Buckhorn Rubber Products in Hannibal, Missouri. Buckhorn Rubber Products manufactures rubber products to meet the specialized needs of the transportation, agricultural and civil construction industries. Prior to his position as Operations Manager, Todd worked as a Chemist (1995-2004), Technical Manager (2004-2006), and Assistant Plant Manager/Technical Manager (2006-2009) for Buckhorn.

Todd graduated from Iowa State University in 1995 with a Bachelor's Degree in Chemical Engineering, and in 2000, he completed his Master's Degree from William Woods University. Apart from his position on the Hannibal Board of Public Works Board, Todd is a member of the American Water Works Association, American Chemical Society (ACS), ACS Rubber Division, and American Society for Quality since 1996.

Todd lives in Hannibal with his wife, Kristen, of 20 years, and their children, Lucas and Megan. They attend St. John's Lutheran Church, and in his spare time, Todd enjoys outdoor activities like disc golf, geocaching, fishing, and youth sports.

You can contact Todd by emailing [tkendall@hannibalbpw.org](mailto:tkendall@hannibalbpw.org).



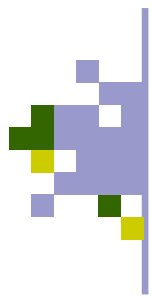


# ADMINISTRATION AND SUPERVISORY STAFF

INVESTING IN OUR COMMUNITY



From left: (Front Row) Jared Stewart (Electric Line Superintendent), Heath Hall (Director of Operations), Lillie Lewton (Business Office Manager), Chrissy Hagan (Accounts Payable Administrator), Beverly Stewart (Human Resources Administrator), Mark Hickerson (SCADA Department Supervisor/ Safety Coordinator/Purchasing Agent), Gene Majors (Water Distribution Supervisor). (Back Row) James Thewlis (Inventory), Mathew Munzlinger (Utility Planning/Construction Engineer/Sewer Collection Supervisor), George Hausdorf (Water/Wastewater Supervisor), Abraham Gray (Finance Director), Courtney Harris (Administrative Assistant), Robert Stevenson (General Manager), Kari Goodman (Public Relations Coordinator).  
Not Pictured: Matthew Jones (Senior I.T. Specialist)



# SUPERVISORS

INVESTING IN OUR COMMUNITY

## ROBERT STEVENSON

### **General Manager**

Robert Stevenson is the General Manager for the Hannibal Board of Public Works. He is responsible for the overall mission, management, and administration of the Hannibal Municipal Utility System in accordance with the City of Hannibal's policies, ordinances, rules, regulations, and in compliance with applicable federal, state, and local laws/regulations. As a member of the City of Hannibal's administration, Robert is also responsible to participate in, coordinate with, and contribute to the overall efficiency and effectiveness of the City's organization.

Robert has been the General Manager for the Hannibal Board of Public Works since 2009. Prior to his employment with the HBPW, Robert held the position of Director of Utilities for the New Ulm, Minnesota Public Utilities Commission. He also spent five years as the Director of Operations for Trigen Energy Corporation, five years as the Production Engineer for Independence, Missouri Power and Light Department and ten years with Burns & McDonnell Engineering Company, holding several positions ending as a Senior Design Engineer.

Robert earned a Bachelors degree in Mechanical Engineering from University of Kansas, and holds a seat on a variety of committees. He is the Chairman for the Missouri Association of Municipal Utilities Board and has served on the committee for the past five years. Robert is also a member of the Missouri Joint Municipal Electric Utility Commission and the Missouri Society of Professional Engineers for the past seven years. He is also a member of the Northeast Missouri Economic Development Council's Executive Committee and has served on this board for the past seven years.

Robert serves on a variety of church committees and has been a Sunday school teacher for the past 27 years. He has a passion for antique truck restoration. He and his wife, Kelly, have been married for 45 years and enjoy spending time with their three children and ten grandchildren.

You can contact Robert by emailing [rstevenson@hannibalbpw.org](mailto:rstevenson@hannibalbpw.org).



# SUPERVISORS

INVESTING IN OUR COMMUNITY

## HEATH HALL

### Director of Operations

Heath Hall is the Director of Operations for the Hannibal Board of Public Works. Heath has been the Director of Operations for nine years, and was the Water Treatment Plant and Wastewater Treatment Plant Facilities Engineer for six years.

Heath graduated from University of Missouri Science and Technology in Rolla, Missouri with a Bachelors degree in Civil Engineering. Heath obtained State of Missouri Certifications in Drinking Water and Wastewater Treatment, Class A certifications in 2005, and is the chairman of the Missouri Public Utility Alliance Member Service Committee.

Heath has volunteered at the Western Public School System in Barry, Illinois for the past eight years where he coaches basketball, baseball and softball. He enjoys jogging, St. Louis Cardinals baseball and Dallas Cowboys football.

Heath lives in Hull, Illinois with his wife, Jamie, and their children Savannah, Jackson, Boston, and Bronx. Heath and Jamie have been married sixteen years.

You can contact Heath by emailing [hhall@hannibalbpw.org](mailto:hhall@hannibalbpw.org).

## ABRAHAM GRAY

### Finance Director

Abraham Gray is the Finance Director for the Hannibal Board of Works. He is responsible for establishing and maintaining all aspects of the Utility's accounting system, including financial reports, budgeting, cash management and investments for the Utility System. Abraham has been with the HBPW since 2014.

Abraham attended Truman State University in Kirksville, Missouri and earned his Bachelors degrees in Accounting and Business-Finance, as well as a Master's degree in Accounting. He later went on to pass the Certified Public Accountant examination.

Abraham enjoys spending time with his wife, Susie, and three children, Isaac, David and Abraham.

You can contact Abraham by emailing [agray@hannibalbpw.org](mailto:agray@hannibalbpw.org).



# SUPERVISORS

INVESTING IN OUR COMMUNITY

## JARED STEWART

### **Electric Line Superintendent**

Jared Stewart is the Electric Line Superintendent for the Hannibal Board of Public Works. He is responsible for maintaining Hannibal's approximately 120 miles of electric lines, six substations, and more than 1,700 streetlights. Jared has over 15 years of experience in electric distribution and has been a vital part of enhancing the city's reliability through the installation of mid-circuit reclosers, installing new squirrel guards in dense foliage areas, and initiating an aggressive pole replacement program. During his career, Jared has been responsible for various storm restoration efforts including an EF-1 tornado directly hitting the City of Hannibal in 2013, resulting in over 8,000 Hannibal customers losing power.

Jared attended Pratt Community College in Pratt, Kansas for two years, and was a Lineman for the Hannibal Board of Public Works from 2001 to 2009 until he became the Electric Line Superintendent in 2010 until present day. Jared chaired the Transmission and Distribution Committee for the American Public Power Association's E&O Conference in 2014 and 2015, and was also an American Public Power Association RP3 member during this same time.

Jared lives in Palmyra, Missouri with his wife, Beverly and daughter, Millie.

You can reach Jared by emailing [jstewart@hannibalbpw.org](mailto:jstewart@hannibalbpw.org).

## HAROLD MAJORS JR.

### **Water Distribution Supervisor**

Harold Majors Jr, "Gene", is the Water Distribution Supervisor for the Hannibal Board of Public Works. Prior to his employment with the HBPW, Gene worked as a machinist for Hannibal Carbide Tool for five years. Gene has been a part of the Hannibal Board of Public Works since 1979, where he worked as a utility helper for the Sewer Department and Operator at the Water Treatment Plant and Wastewater Treatment Plant. Gene later became the Sewer Department Foreman. Later he was promoted to Water and Wastewater Superintendent, and currently holds the supervisory position over the Water Department.

Born and raised in Hannibal, Gene graduated from Hannibal High School and went on to earn various training certificates as a machinist. He holds operating licenses for both the Water and Wastewater Treatment Plants. In addition, Gene holds certificates in management training, storm water control, sewer collection systems, and water distribution.

Gene is a member of the Hannibal Elks Lodge and has been a member for the past eighteen years, holding a variety of positions including vice president, president and trustee. He is also a member of the Freemason and Shriners.

Gene lives in Hannibal, Missouri with his wife, Lory, and together have raised seven children. They enjoy spending time with their twenty grandchildren and two godchildren.

You can reach Gene by emailing [gmajors@hannibalbpw.org](mailto:gmajors@hannibalbpw.org).





# SUPERVISORS

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## MATHEW MUNZLINGER

### **Utility Planning/ Construction Engineer**

Mathew Munzlinger is the Utility Planning and Construction Engineer for the Hannibal Board of Public Works. Mathew has been working for the HBPW for nine years, working as the Water and Wastewater Facilities Engineer for three years, and the Utility Planning and Construction Engineer for the past six years. In 2002, Mathew earned his Bachelors of Science in Mechanical and Aerospace Engineering and a Minor in Mathematics at University of Missouri: Columbia in Columbia, Missouri and has been a registered Engineer in the state of Missouri since 2007.

Mathew volunteers in a variety of local organizations. He has been a member of the Northeast Missouri Economic Development Council since 2014, and an active member of the 1819 Hannibal Stream Team #4705 since 2013. Mathew is also serving on the Missouri Society of Professional Engineers – Northeast Chapter where he sat as the vice president from 2011-2013, president from 2013-2015, and is currently on the Board of Directors.

Mathew lives in Hannibal, Missouri with his wife, Rachel, and two children, Lauren and Lydia.

You can reach Mathew by emailing [mmunzlinger@hannibalbpw.org](mailto:mmunzlinger@hannibalbpw.org).

## LILLIE LEWTON

### **Business Office & Customer Service Supervisor**

Lillie Lewton is the Business Office & Customer Service Supervisor for the Hannibal Board of Public Works. Lillie has worked for the HBPW since 1989 where she worked as Customer Service Representative and Billing Clerk for two years and then transitioned to Human Resources and Payroll for four years. Lillie has been the Business Office and Customer Service Supervisor for the past 22 years. Prior to her employment at the HBPW, Lillie worked for F&M Bank and Trust for eight years as the Head Teller and Loan Clerk, and Hannibal National Bank for two years as a bookkeeper.

Lillie has completed a variety of different training certificates throughout her career. She annually attends American Public Power Association's Customer Service Connection Conference, which provides in-depth training to those in customer service across the nation. She has earned a certificate in American Management Association's course on Successfully Managing People, and has earned her Customer Service Certificate through Missouri Public Utility Alliance. Lillie is also certified in Basic TNS (TWACS Name Server) through TWACS, Two-Way Automatic Communications system, which is a communication tool used to enable utilities to ready every meter on their network.

Lillie is a member of the Missouri Public Utility Alliance's Customer Service Committee since 2013. She also volunteers her time through a variety of local organizations. She is a Hannibal Booster Club Member since 2010, and has been a Salvation Army volunteer since 1993. Lillie also volunteered for United way from 1994-1995.

Lillie lives in Hannibal, Missouri with her husband, Bob Lewton, former owner and operator of Custom Auto Glass in Hannibal, Missouri. She enjoys spending time with their children Jerad Whitley, Jamie Whitley, Jeanie Epperson, Steve Lewton and Matt Lewton and her ten grandchildren.

You can reach Lillie by emailing [llewton@hannibalbpw.org](mailto:llewton@hannibalbpw.org).



# SUPERVISORS

INVESTING IN OUR COMMUNITY

## MARK HICKERSON

### **SCADA Department Supervisor**

Mark Hickerson is the Supervisory Control and Data Acquisition (SCADA) Department Supervisor, Safety Coordinator, and Purchasing Agent for the Hannibal Board of Public Works. Mark has worked for the HBPW since 1992, where he worked as the company's first SCADA Operator for 15 years, and then transitioned to the SCADA Supervisor/Purchasing Agent/Safety Coordinator. Prior to his employment with the HBPW, Mark was the Watch Supervisor and Detective for the Hannibal Police Department. He has also worked as Parts Manager for Little Jess AMC/Jeep where he earned a Parts Management Training certificate, and was the Bridge & Building, Engine Hostler for Burlington Northern Railroad.

Mark completed his associates degree in Law Enforcement at Hannibal LaGrange University, and attended University of Missouri in Columbia for two years completing Law Enforcement and Forestry course work. Mark also attended the Missouri State Highway Patrol Academy, DEA Undercover Drug Enforcement School, and FBI SWAT Operations Academy where he earned numerous law enforcement certificates.

Mark volunteers for a variety of regional service clubs. He is the current president of the Great River Jazz Society, and the Great River Offroad Runners. He is a member of the Musicians Union Local 265, member of the Audio Engineering Society, and a board member of PAWS No-Kill Pet Shelter.

Mark lives in Hannibal, Missouri with his wife, Tonya, and has one daughter, Brooke.

You can reach Mark by emailing [mhickerson@hannibalbpw.org](mailto:mhickerson@hannibalbpw.org).

## GEORGE HAUSDORF

### **Water & Wastewater Plant Supervisor**

George Hausdorf is the Water & Wastewater Plant Supervisor for the Hannibal Board of Public Works. Prior to working for the HBPW, George was the Director of Public Works for the City of Canton in Canton, Missouri, and held that position since 2003.

George graduated from John Wood Community College in 2003, and has multiple Water Treatment/Wastewater Treatment and Waste Water Treatment Operator Certifications from the Department of Natural Resources, including DW-B, DS III, and WW-B certifications. In 2016, George earned his Bachelors of Science in Organizational Management and Finance from Culver Stockton College.

George has been active in a variety of different service clubs throughout his career. He has been a member of the Boy Scouts of America since 1984, member of the Illinois/Missouri Road Riders from 1988-1992, and was part of the Breakfast Optimists Club in Quincy, Illinois from 2000-2003.

George and his wife, Leanne, have been married for 24 years. Leanne has been a teacher for Canton R-V School in Canton, Missouri for the past 20 years, and both George and Leanne enjoy spending time with their three sons Andrew (23), George III (20), and Braedyn (18).

You can reach George by emailing [ghausdorf@hannibalbpw.org](mailto:ghausdorf@hannibalbpw.org).



# SUPERVISORS

INVESTING IN OUR COMMUNITY

## MATTHEW JONES

### Senior I.T. Specialist

Known for his critical decision making skills and the ability to achieve desired results, Matthew Jones offers a unique blend of professional expertise, IT solutions, and practical knowledge to the Hannibal Board of Public Works. Matthew has nineteen years of professional experience in the IT industry with the past fourteen focused in the municipal utility arena. His skills in communication, planning, and development have aided in transforming the HBPW into one of the areas municipal utility leaders by spearheading improvements to existing GIS and CIS functions as well as successfully implementing Automated Meter Reading.

With a history of proof-positive results in various aspects of the organization, one of Matthew's significant achievements has been the implementation of a single AMR solution for both electric and water metering. His involvement was highly beneficial throughout the implementation phases of the AMR project and continues to be a driving force in the success of this solution and future development. His skills in coordinating with various contractors and field personnel, developing numerous methods of reporting and training, and working directly with vendor support staff have proven to be invaluable and attribute to the overall success of any project he is involved with. In 2014, Matthew played a key role in the conversion of historic billing and financial records to a new software platform which has since proven to not only improve efficiency for in-house and field staff but provided customer friendly solutions and improvements with metering and monthly statements. He continues to strive for improvement in all areas under his supervision and participates as one of several internal advisors on various projects.

Prior to joining the Hannibal Board of Public Works, Matthew's professional career included a five year role at BASF in the areas of user and desktop support, network administration, and telecommunications. Matthew holds a Bachelor of Science in Information Technology and Data Processing from Hannibal LaGrange University in Hannibal, MO.

You can reach Matthew by emailing [mjones@hannibalbpw.org](mailto:mjones@hannibalbpw.org).

## BEVERLY STEWART

### Human Resources

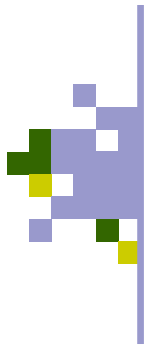
Beverly Stewart is the Human Resource Administrator for the Hannibal Board of Public Works. She has been with the company for the past 17 years. Prior to her employment with the HBPW, Beverly worked as the Human Resource Administrator for TEI Communications for seven years and Davel Communications for three years, and was a broker for AIM Crop Insurance for seven years.

Beverly graduated from Spoon River Community College in 1997, and went on to earn her Bachelor's Degree in Accounting and Human Resources from Western Illinois University in 2003. She earned her Advanced Certification membership from the American Payroll Association in 2005. Beverly held Employer Equal Opportunity Commission Certifications from 2001-2005, and currently holds an Illinois Insurance License.

Beverly has been a member of the Society of Human Resource Management since 1998, an Employee Benefit Trust Board Member since 2000, Tri-State Board Member since 2015, and was a Master Gardner Member from 2003-2008.

Beverly lives in Palmyra, Missouri with her husband Jared, and daughter, Millie.

You can reach Beverly by emailing [bjwatson@hannibalbpw.org](mailto:bjwatson@hannibalbpw.org).



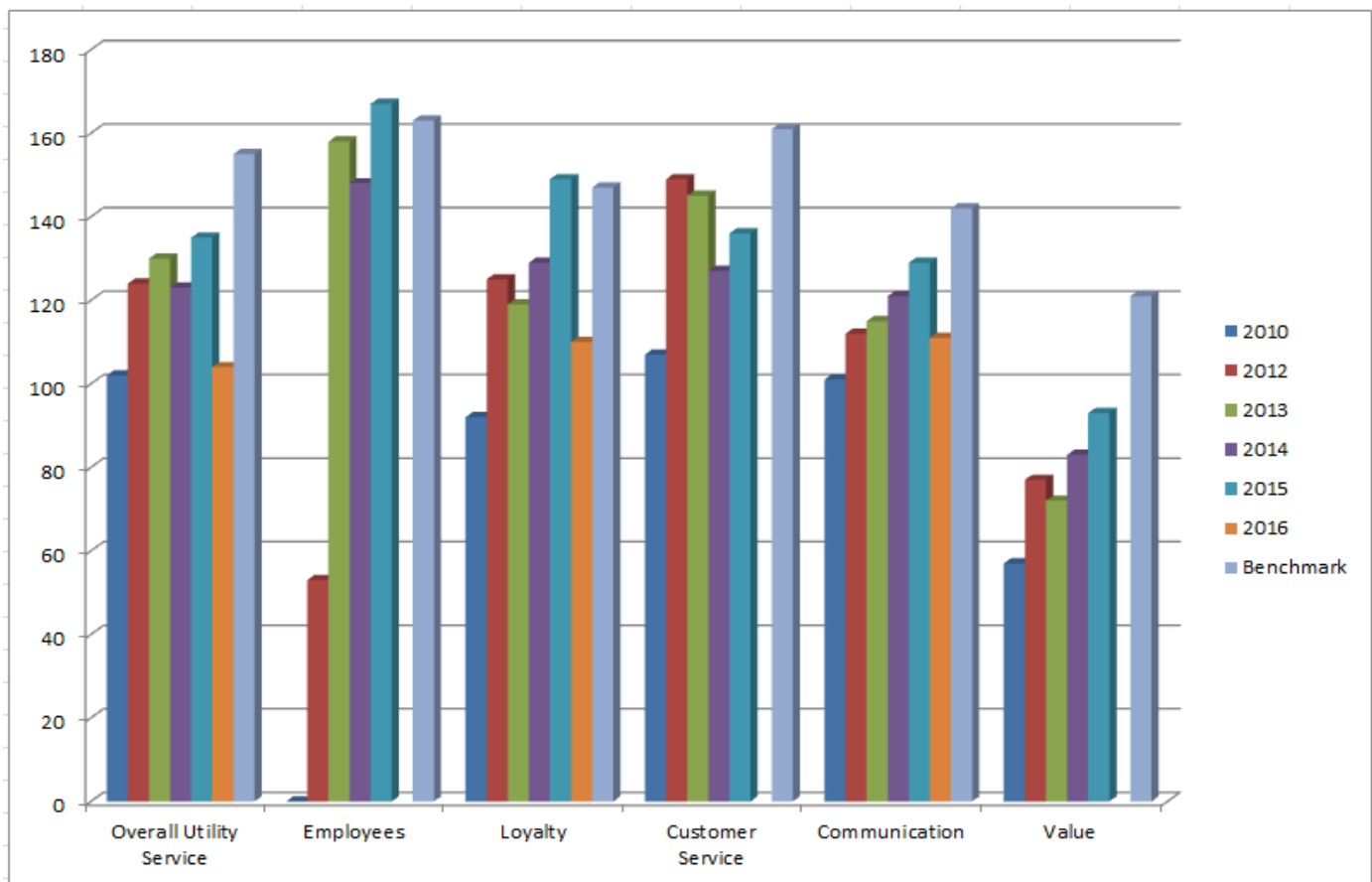
# COMPANY PROFILE

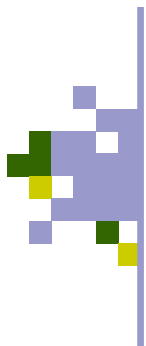
## CUSTOMER SATISFACTION SURVEY

INVESTING IN OUR COMMUNITY

The Hannibal Board of Public Works has conducted customer satisfaction surveys for the past six years, with the last two surveys being conducted in July 2015 and May 2016. The survey addressed customer attitudes and opinions on topics such as overall satisfaction with HBPW's products/services, interaction with staff, problem solving, pricing and payment options, and expectations. The following pages detail the results of the past six years of survey results.

The 2015 results indicated a positive trend in all categories, and each category scored higher than the previous year. In addition, all categories ranked a historic high score as seen in the chart below. However, the 2016 results showed a drop in categories such as Overall Utility Service, Loyalty, and Communication, and focused on water quality and renewable energy; two categories that were not emphasized in previous years.





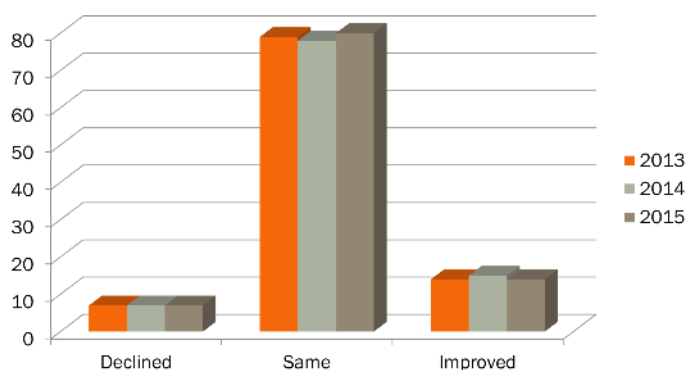
# COMPANY PROFILE

## CUSTOMER SATISFACTION SURVEY

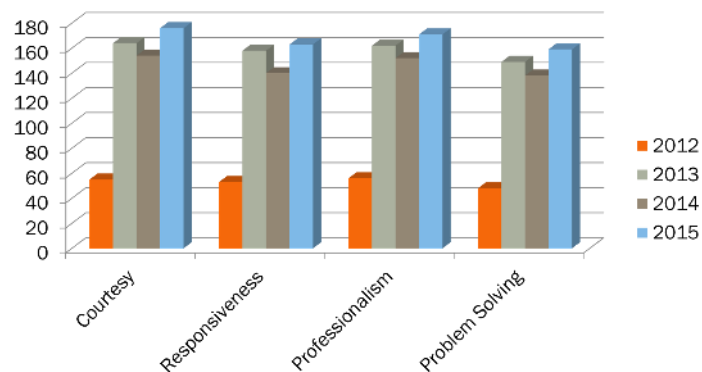
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### 2015 SURVEY RESULTS

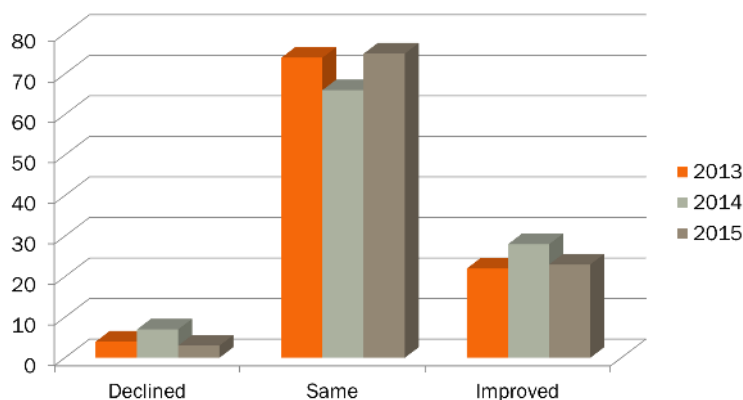
#### UTILITY SERVICE IMPROVEMENT



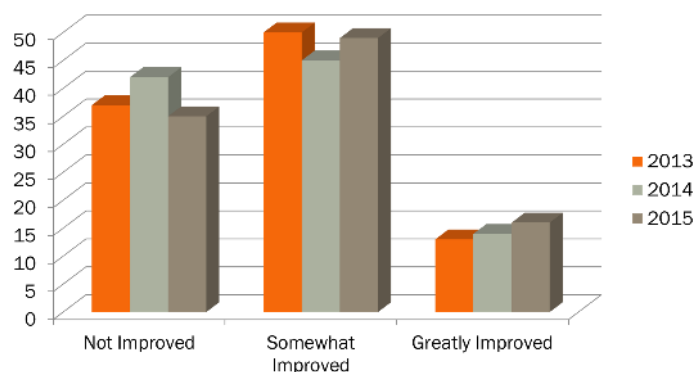
#### EMPLOYEE RATINGS



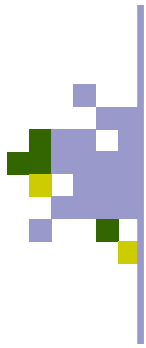
#### CHANGE IN QUALITY OF CUSTOMER SERVICE



#### COMMUNICATION







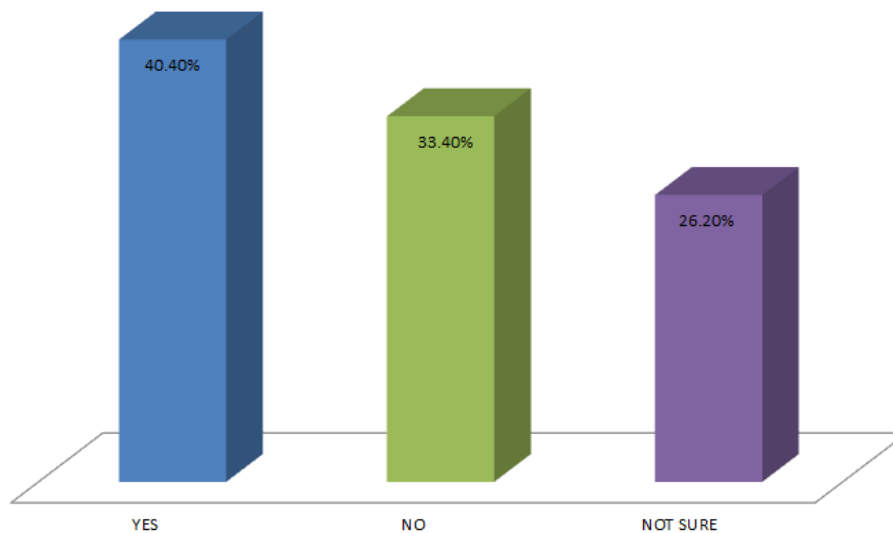
# COMPANY PROFILE

## CUSTOMER SATISFACTION SURVEY

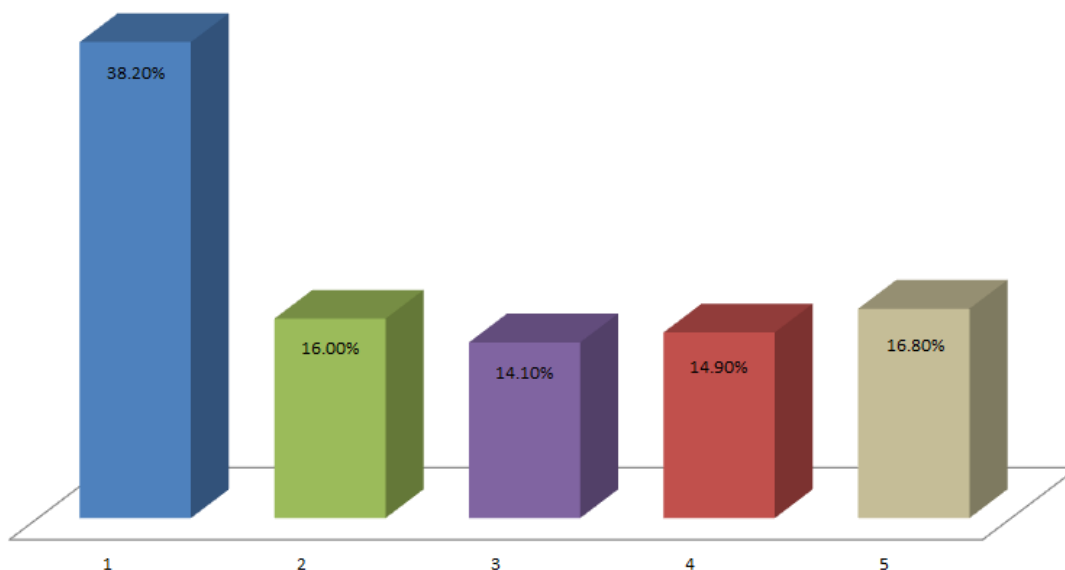
INVESTING IN OUR COMMUNITY

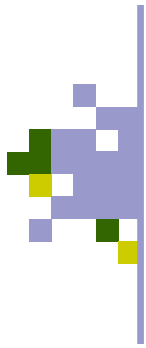
### 2016 SURVEY RESULTS-WATER QUALITY

Are you satisfied with the steps Hannibal BPW has taken to improve its water treatment facility?



How do you rate the drinking water service provided by the HBPW?  
Using a scale of 1 to 5, where 1 is poor and 5 is excellent.





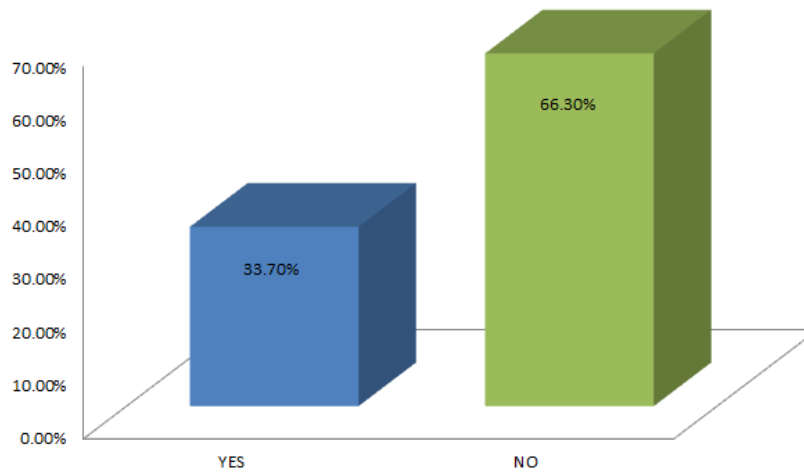
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## CUSTOMER SATISFACTION SURVEY

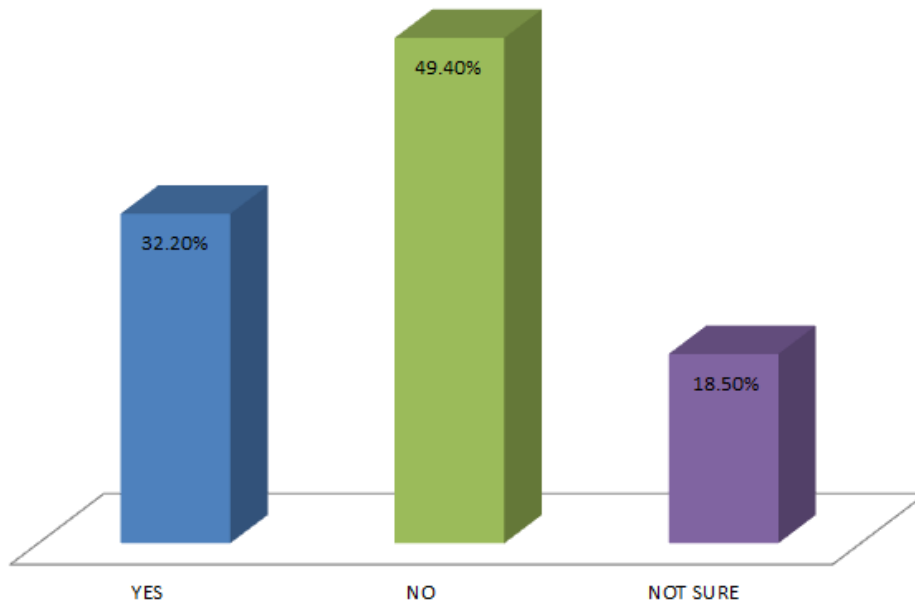
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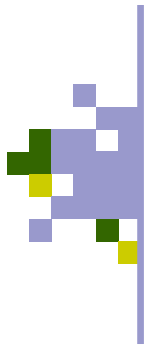
### 2016 SURVEY RESULTS-WATER QUALITY

Have you experienced any problems or difficulties with your water service in the last 3 months?



If the HBPW could improve the water quality from the current method of disinfection, would you be willing to pay more per month?





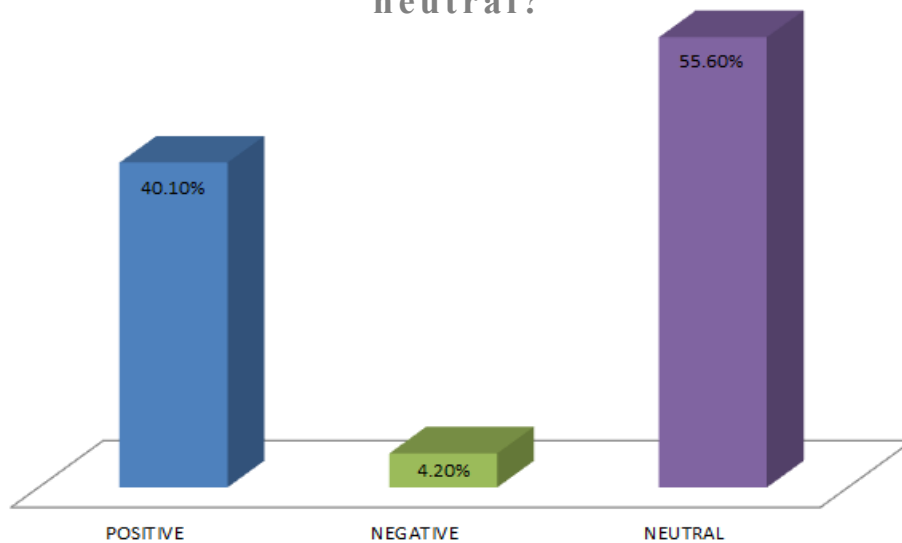
# COMPANY PROFILE

## CUSTOMER SATISFACTION SURVEY

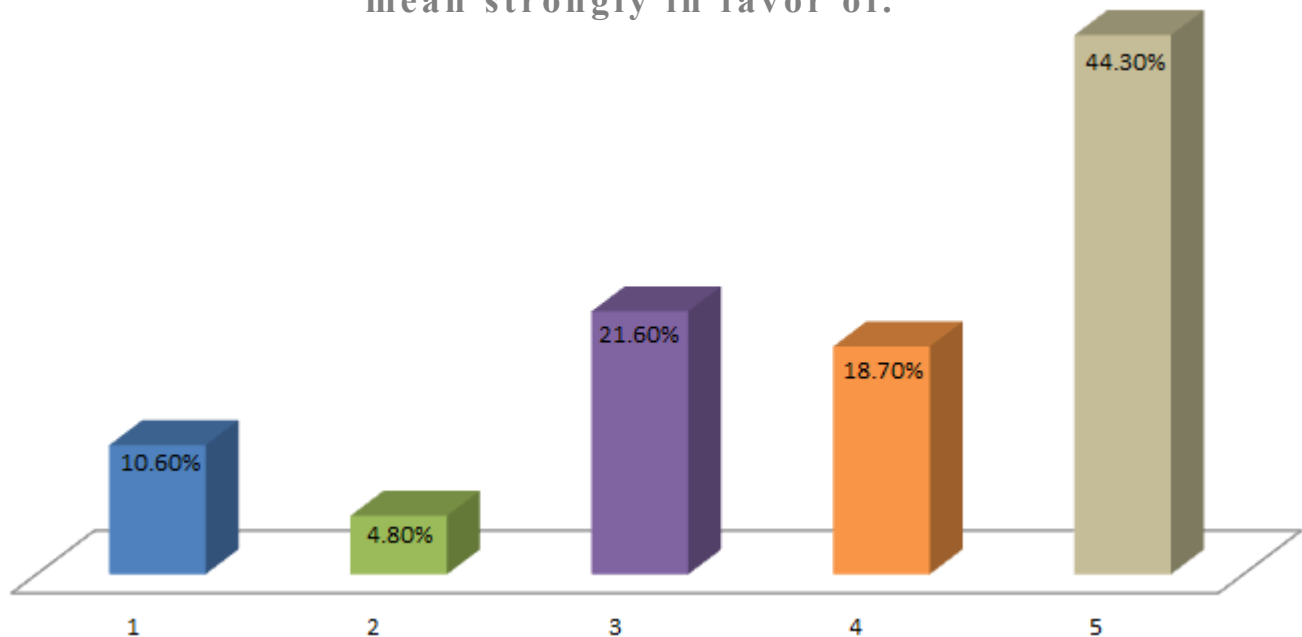
INVESTING IN OUR COMMUNITY

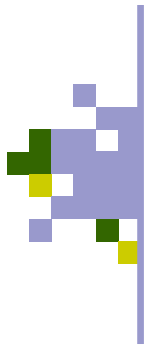
### 2016 SURVEY RESULTS-RENEWABLE ENERGY

Would you say your opinion of renewable energy is positive, negative, or neutral?



Should HBPW add renewable sources of energy to the power you receive? Using a scale of 1 to 5, where 1 means strongly against and 5 mean strongly in favor of.





# COMPANY PROFILE AWARDS

INVESTING IN OUR COMMUNITY

## **Reliable Public Power Provider Platinum Level 2015-2018**

The American Public Power Association recognized the Hannibal Board of Public Works as a utility that demonstrates high proficiency in reliability, safety, work force development and system improvement.



## **Missouri Public Utility Alliance Robert Williams System Achievement Award September 17, 2015**

The HBPW was awarded this distinction for providing exceptional quality of improvements in service to its customers.



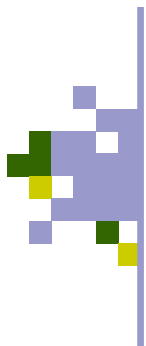
## **American Public Power Association Certificate of Excellence in Reliability (eReliability Tracker) March 3, 2016**

The HBPW was awarded this certificate by achieving excellence in reliability by significantly outperforming the electric industry national averages as reported by the Energy Information Administration.



**MIRMA Annual Safety Evaluation**  
The Hannibal Board of Public Works scored a 100% on this year's safety evaluation. Very few utilities earn this high score.





# COMPANY PROFILE

## SPENDING

INVESTING IN OUR COMMUNITY

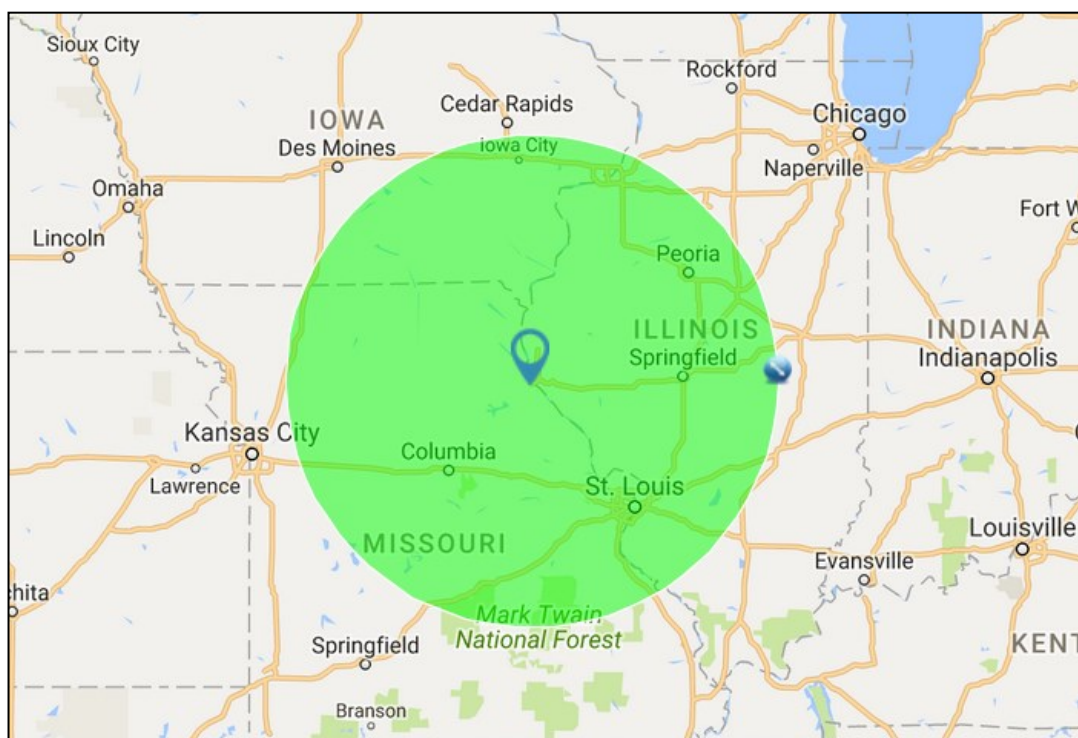
The Hannibal Board of Public Works is a non-profit organization and a division of city government that provides electric, water, and sewer service to residents living within the city limits of Hannibal, Missouri. Established in 1903, the Hannibal Board of Public Works is governed by an independent Board of Directors appointed by the City Council to serve a four-year term and subject to City Council approval. The HBPW has grown substantially throughout the years, but the mission has stayed the same: to provide safe, reliable utility products with excellent customer service at reasonable prices.

The Hannibal Board of Public Works continues to strive for equity in its utility rate structure. Costs of service must be properly assessed to the various customer classes and overhead costs must be properly distributed to the various departments. With issues of customer choice, retail wheeling, bulk utility sales, competition and privatization, utility operations are continually being improved.

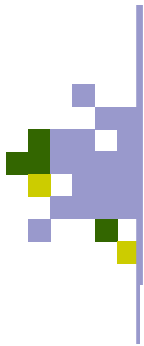
The HBPW manages a publicly owned Utility System whose worth far exceeds the book value of its assets. The Municipal Utility provides at-cost services without consideration for return on investment, dividends, profits or other financial gains. Funds are accumulated in anticipation of future system enhancements, expansions, maintenance, regulation, and emergency requirements.

The following pages show the 2015-16 fiscal year spending, highlighting local spending for the 12 month period.

Local spending is defined as spending by the HBPW within a 150 mile radius of Hannibal, Missouri. (See map to right.)







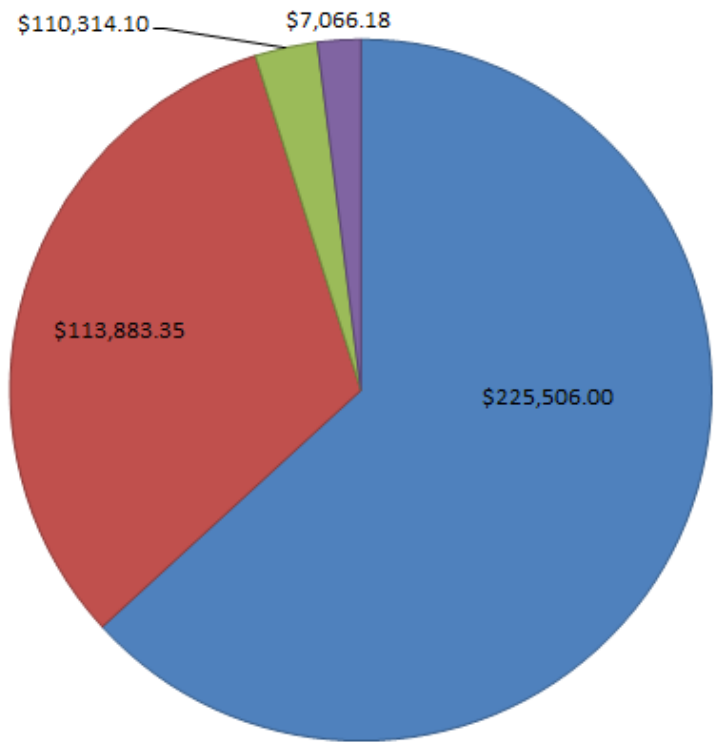
# COMPANY PROFILE

## LOCAL SPENDING

INVESTING IN OUR COMMUNITY

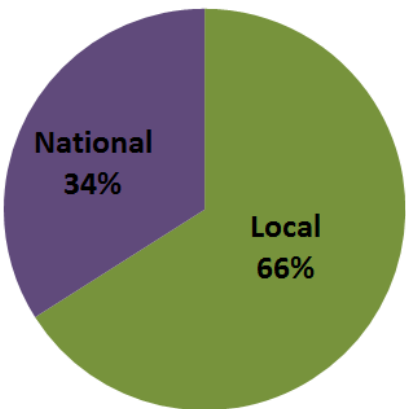
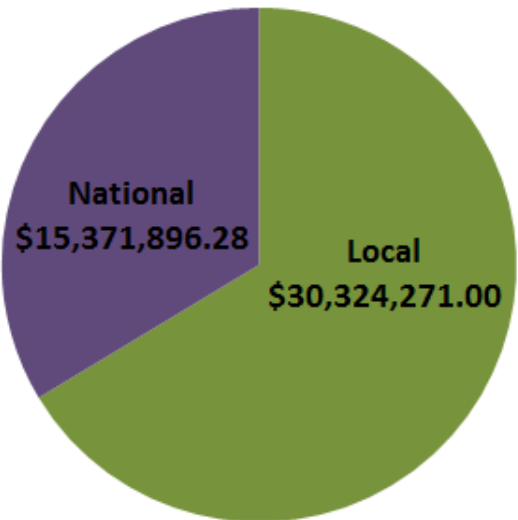
**Amount provided to City of Hannibal Free of Charge**  
**Total = \$356,769.63**

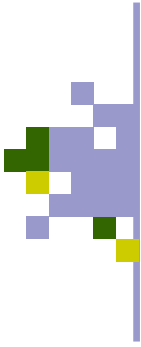
■ Electric-Streetlights   ■ Electric-Buildings   ■ Water   ■ Sewer



**Total Dollars Spent in FY 2015-16**  
**Total = \$45,696,167.28**

Percentage of Spending





# COMMUNITY INVOLVEMENT

## INVESTING IN OUR COMMUNITY

Hannibal Board of Public Works workforce is competent, hardworking and strives daily to contribute to the success of the organization. In addition, HBPW is also fortunate to have employees who are dedicated to the success and wellbeing of the community they serve. Helping others has not only benefitted the community, but has helped to strengthen the bond between employees. Each service project detailed below shows the heart and dedication that the HBPW has for it's customers and the community.

### **Buddy Pack Program**

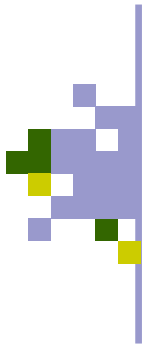
Once a month, HBPW employees volunteer their time to help pack over 1,000 buddy packs, which consist of a variety of non-perishable food items, and are distributed to local children throughout the school system. These packs are designed to help out families that are having financial difficulties by providing a meal for them throughout the weekend.



### **Red Cross Blood Drive**

Each June, the HBPW sponsors lunch for the Red Cross Blood Drive. In addition to providing the meal, HBPW spends time advertising for the event and several HBPW employees regularly donate.





# COMMUNITY INVOLVEMENT

INVESTING IN OUR COMMUNITY

## National Tom Sawyer Days Parade

Employees and their families enjoy participating in the annual 4th of July Parade where the HBPW showcases a few of their larger trucks.



## Project Community Connect, Hannibal



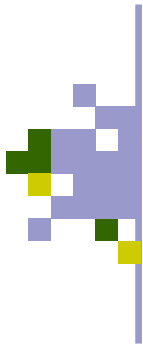
PCC is a one-day event that connects community members in need with services intended to help break down barriers and build up homes. HBPW participates each year by attending the event in order to help answer utility related questions and assist with utility needs.

## Holiday Hope Program

Each year HBPW employees donate their own money to adopt two local families and provide them with Christmas gifts, clothing, and other essential household items.







# COMMUNITY INVOLVEMENT

INVESTING IN OUR COMMUNITY

## School Presentations

HBPW linemen visit elementary schools in the Hannibal School District each year teaching children how to be safe around electricity. These presentations reach over 1,000 children each year, and are very well received by students and teachers.



## 6th Annual Public Utilities Week

National Public Power Week is always a busy and fun time for HBPW employees who spend the week doing multiple service projects in the community.



Big Truck Night



Trash Pickup



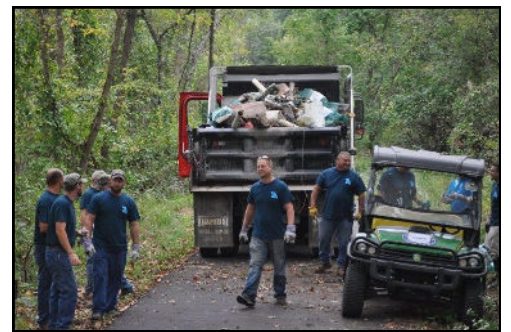
Sodalis Trail Cleanup



Tree Removal & Trimming

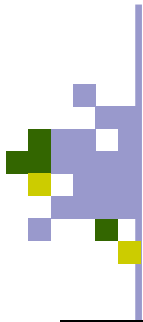


Recycle Center Cleanup



Sodalis Trail Cleanup<sub>XXI</sub>





# MEET THE STAFF

INVESTING IN OUR COMMUNITY



## Electric

From left: (Front) Matt Livesay, Andy Quinlin, Kenny Garcia (Foreman), Mark Salter, Jared Stewart (Supervisor), (Back) Matt Lay, Bruce Goodwin, Justin Carper, Adam Schneider, Chad Comstock



## Water

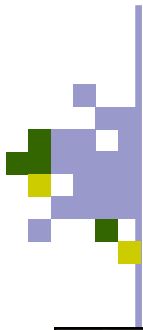
From left: Ryan Fountain, Chuck Murphy, Gene Majors (supervisor), Quintin Schmohe (Foreman), Justin Gibson, Doug Epperson



## Sewer

From left: Gary Tate, Jamie Whitley, Ron Lee (Foreman), Neal Parsons, Julian Moss





# MEET THE STAFF

INVESTING IN OUR COMMUNITY



## Business Office

From left: (Front) Stephanie Richards, Lillie Lewton (Supervisor), Andrea Campbell, (Back) Cindy Price, Kathleen Robertson, Shelia Wood, Emily Dexheimer



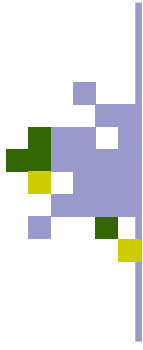
## S.C.A.D.A

From left: Jessica Aggers, Keenan Frese, Joseph Darnell, Robert Vandelight, Michial Bacon



## Meter

From left: Connie Quinn, Nick Ferry, Bill Dye  
Not Pictured: Greg Nichols



# MEET THE STAFF

INVESTING IN OUR COMMUNITY



## **Water Treatment Plant**

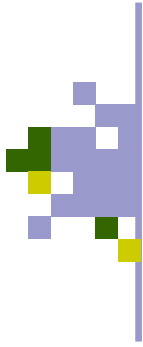
From left: (Front) Mark Turner, Todd Lear, John Caudill, (Back) Justin Brown, George Hausdorf (Supervisor), Caleb Jameson



## **Wastewater Treatment Plant**

From left: (Front) Devon Meuhring, Corey Means, Jeff Williams, (Back) George Hausdorf (Supervisor), Rodney Spires, Joe Riefesel





# MEET THE STAFF

INVESTING IN OUR COMMUNITY



## **Maintenance Electricians**

From left: Warren Brehm,  
Gary Beahan



## **Maintenance Mechanics**

From left: Donald Spencer,  
Eric Kindhart



**City of Hannibal, Missouri**  
**Board of Public Works**  
Year Ended June 30, 2016  
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***Supplementary Schedules:***

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## **Financial Section**



## **Independent Auditor's Report**

To the Honorable Mayor,  
City Council and Board of  
Public Works  
City of Hannibal, Missouri

We have audited the accompanying financial statements of the Electric, Water, and Sewer funds (Board of Public Works) of the City of Hannibal, Missouri, as of and for the year ended June 30, 2016, and the related notes to the financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion**

As discussed in Note 1, the financial statements present only the Electric, Water, and Sewer funds of the City of Hannibal, Missouri. Accounting principles generally accepted in the United States of America require that City of Hannibal, Missouri's financial statements present the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hannibal, Missouri.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of City of Hannibal, Missouri as of June 30, 2016, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Independent Auditor's Report (Concluded)**

### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Electric, Water and Sewer funds of the City of Hannibal, Missouri, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

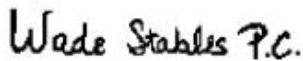
### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Changes in Net Pension Liability and Schedule of Contributions on pages 3 through 7 and pages 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hannibal's Board of Public Works' basic financial statements. The supplementary schedules and statistical section on pages 28 through 36 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**Wade Stables P.C.**

*Certified Public Accountants*

November 17, 2016  
Hannibal, Missouri

## **Management's Discussion and Analysis**



**City of Hannibal, Missouri**  
**Board of Public Works**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**



## **Introduction**

The Hannibal Board of Public Works of Hannibal, Missouri (the "HBPW") is a municipally owned utility of the City of Hannibal, Missouri (the "City"). The HBPW is comprised of the Electric, Water and Sewer Departments, serving approximately 8,900 customers. The following discussion and analysis of the financial performance of the HBPW provides an overview of the HBPW's financial activities for the fiscal year ended June 30, 2016. This analysis should be read in conjunction with the financial statements and notes.

## **Financial Highlights**

- The assets and deferred outflows of resources of HBPW exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending June 30, 2016, by \$58,535,372 (net position). Of this amount, \$13,406,013 (unrestricted net position) may be used to meet the HBPW's ongoing obligations to citizens and creditors.
- The HBPW's total net position increased by \$1,129,877 for the year ended June 30, 2016. The increase in net position can be attributed to the Electric Department fund which ended the year with net income of \$196,605, the Water Department fund that ended the year with net income of \$674,608 and the Sewer Department fund that ended the year with net income of \$258,664.
- With the bond proceeds received of \$5,826,227 and principal payments made of \$1,457,500, the total principal due on the HBPW's long-term debt increased by \$4,368,727 for the year ended June 30, 2016.

The HBPW's full requirements wholesale power supply contract with Illinois Power Marketing expired in December 2014. Contract price for energy is firm at \$43/MWH. In addition, another contract with Illinois Power Marketing for the years 2015 and 2016 at a price of \$41.69 was bid and awarded and that contract was extended by mutual agreement through May 2017.

The HBPW is a participant in the 1600MW Prairie State Energy Campus located near Marissa, IL for 10 MW from each of the two units. Energy from the plant is being sold into the MISO day ahead market which has also been below expectations.

- Electric rates for the residential rate class increased 1% on July 1, 2015 for the residential rate class. An incentive rate to attract new industries was established in July 2011. The incentives offered gradually reduce to zero over a 48 month period. One customer has applied for the incentive rate since its inception.
- Water rates were increased 3% on July 1, 2015 for all rate classes. An industrial incentive rate similar to the electric incentive was established. No applications for the incentive rate were received during the year.
- Sewer rates were increased 4.5% on July 1, 2015 for all customers.

## **Overview of the Financial Statements**

The discussion and analysis serves as an introduction to HBPW's basic financial statements. The HBPW's financial statements are comprised of two components, fund financial statements and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Fund Financial Statements**

The HBPW maintains three business-type funds that are used to charge customers for the service it provides electric, water and sewer services. It is also used to account for all of the HBPW's activities.

## **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found immediately following the basic financial statements.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)



**Business-type Activities**

**Condensed Statement of Net Position**

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Current	\$ 19,856,670	\$ 19,165,887
Net capital assets	58,020,866	51,973,762
Other	2,157,890	2,185,604
Total Assets	<u>\$ 80,035,426</u>	<u>\$ 73,325,253</u>
Deferred Outflows	<u>\$ 2,194,448</u>	<u>\$ 823,456</u>
<b>Liabilities</b>		
Current	\$ 6,899,349	\$ 5,564,190
Long-term	16,308,667	10,607,368
Total Liabilities	<u>\$ 23,208,016</u>	<u>\$ 16,171,558</u>
Deferred Inflows	<u>\$ 486,486</u>	<u>\$ 308,398</u>
Net Position	<u>\$ 58,535,372</u>	<u>\$ 57,668,753</u>

**Condensed Statement of Revenues, Expenses and Changes in Fund Net Position**

	<b>2016</b>	<b>2015</b>
Operating Revenues	\$ 37,752,581	\$ 38,123,575
Less Operating Expenses	(36,553,382)	(34,760,590)
Total Operating Income	<u>\$ 1,199,199</u>	<u>\$ 3,362,985</u>
Non-Operating Revenues and Expenses		
Interest income	\$ 147,726	\$ 57,567
Interest expense	(506,180)	(453,861)
Other items (net)	289,132	231,414
Total Other Income (Expenses)	<u>\$ (69,322)</u>	<u>\$ (164,880)</u>
Change in Net Position	\$ 1,129,877	\$ 3,198,105
Net Position at beginning of period	57,668,753	54,983,147
Prior period adjustment	(263,258)	(512,499)
Net Position at end of period	<u>\$ 58,535,372</u>	<u>\$ 57,668,753</u>

The HBPW's most significant revenue in 2016 was charges for services for residential customers of \$14,015,360 and industrial customers for \$12,462,830.

	<b>2016</b>	<b>2015</b>
Operating Revenues		
Electric	\$ 28,478,236	\$ 29,253,619
Water	4,984,779	4,801,591
Sewer	4,289,566	4,068,365
Total	<u>\$ 37,752,581</u>	<u>\$ 38,123,575</u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)



### Business-type Activities (Concluded)

The HBPW's most significant expenses in 2016 were purchase of power of \$22,430,734 and salary and wages for \$4,061,935.

	<u>2016</u>	<u>2015</u>
Operating Expenses		
Electric	\$ 28,454,870	\$ 27,265,931
Water	4,247,156	3,969,881
Sewer	3,851,356	3,524,778
Total	<u>\$ 36,553,382</u>	<u>\$ 34,760,590</u>

### Property, Plant and Equipment

At the end of the fiscal year 2016, the HBPW had total property, plant and equipment of \$58,020,866.

## MAJOR INITIATIVES

### Electric Department

The electric department crews continued the pole replacement project that consists of replacing approximately 100 deteriorated and aged utility poles per year. We continued the reliability improvements to the system by installing mid span reclosers. The reclosers allow for segmenting of the electrical system during outages, and minimizes the amount of customers affected. Most months we are able to achieve 99.99% availability and we want to see this trend continue.

### Water Department

Construction work commenced on 4 major water projects totaling about \$13 million.

The first project consists of upgrades to the Water Treatment Plant (WTP) to comply with new environmental regulations. The upgrades include UV light and chloramine disinfection systems, a new carbon feed system and building, and various piping and valve replacements.

The second projects includes replacement two raw water lines that are approximately 3,500 feet in length and feed all raw water from the river pump house to the WTP. The existing lines are about 100 years old and provide a lot of maintenance difficulties. Along with the replacement of the two raw water lines will be the installation of a residual line that will carry water treatment waste to the river, and a new underground electric feed for the river pump house.

The replacement of the elevated water storage tank of the Southside is the third project. The newly installed 200,000 gallon tank will replace the existing 1924 structure that has the capacity to hold only 50,000 gallons. The new tank will be located approximately 2000 feet south of the existing structure and provide adequate pressure and increased water for fire protection for approximately 400 meters.

The final project involves improvements to the water distribution system including around 4,000 feet of newly installed line water lines to loop key areas along the western part of town, and two back up power generators at the Paris Gravel and Southside water booster stations.

Construction should be completed in the fiscal year 16-17. We received low-interest State Revolving Fund loan money through the Missouri Department of Natural Resources to complete the projects.





**City of Hannibal, Missouri**  
**Board of Public Works**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)



## **Sewer Department**

The sewer crew continued efforts to maintain the existing deteriorating system by televising, cleaning, root cutting and inspecting several thousands of feet of sewer mains.

The Downtown Sanitary Sewer Overflow Elimination project continued. Trekk Design Group is investigating the area that affects the overflow. They are in the process of smoking, and measuring flow data in key areas to assist them in writing a report. The report will include information on which areas are the most effected by inflow and infiltration, and will assist us in prioritizing repairs. The investigation and reporting should be completed in the fiscal year 16-17.

## **Administration**

The four appointed Board Members who governed the operations of the HBPW during the past year were as follows: Randy Park, President; Betty Anderson, Vice-President; Todd Kendall, Secretary; and Tim Goodman, Board Member.

Work continued on the Business Park development. The 110 acre site has been designated as a Missouri Certified Site. Work at the park has included grading, storm water detention, tree and brush clean up and overall grounds maintenance.

## **FUTURE PLANS**

We are in the process of developing a power supply profile. The current full requirements power supply contract with Dynegy ends on May 31, 2017, and are in the planning stages of going a different direction. After the contract ends, we are planning on using power from the Prairie State Energy Campus, purchasing other blocks of power, and purchasing some off the open market to complete our power supply needs. Our estimates show that this method of power supply will save us over significant sums per year, plus it will allow us to use the Prairie State power directly instead of selling it on the open market at lower than market pricing. We also are pursuing options to acquire low-cost renewable wind energy, which could benefit our customers for decades to come.

The four water projects should be completely constructed and in operation by the summer of 2016. This will allow for the WTP to be in compliance with drinking water standards, and provide our customers with high quality drinking water.

The Downtown SSO study work are completed, and plans to make repairs are underway. The repairs could take years, and cost millions. Therefore, prioritizing them to get the most for our money is vital.

## **OPERATING RESULTS**

Electric, water and sewer revenue is comprised of retail sales to the HBPW's customers and wholesale sales of both electricity and water to resellers.

Retail electric customers provided \$25,034,017 for the year, which represents a decrease of 3.03% from the previous year.

Retail water revenues were \$4,286,555 for the year compared to \$4,065,613 the previous year, for an increase of 5.43% from the previous year. Wholesale revenue was \$48,596, a decrease of 5.99% from the previous year.

Retail sewer revenues were \$4,242,642 for the year compared to \$4,022,493 the previous year for an increase of 5.47% from the previous year.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)



As required by the City Charter, the HBPW pays a percentage of its revenues into the general fund of the City. In addition to this transfer into the City's general fund, the HBPW provides other benefits to the City and community. These supplemental benefits include free street lighting, free utility service to City Government, free utility relocation work for City projects, support of economic development, maintenance of traffic signals, responsibility for operation of the Bear Creek Dam and maintenance of the floodwall pumps. Transfer fees totaling \$1,668,234 were paid to the City of Hannibal. The HBPW remains financially sound at the conclusion of fiscal year 2015-2016. For more than 100 years, customers have trusted the HBPW to deliver reliable, affordable and responsible utility services. The HBPW will continue to safeguard the future of essential services for our customers.

To learn more about the operation of the Board of Public Works, visit the HBPW website at <http://www.hannibalbpw.org/>.



City of Hannibal, Missouri  
Board of Public Works  
Statement of Net Position  
June 30, 2016



	Electric Department	Water Department	Sewer Department	Total
<b>Assets</b>				
Current Assets:				
Cash	\$ 602,630	\$ 1,421,045	\$ 2,050,171	\$ 4,073,846
Restricted Cash-Debt Service	-	382,762	7,958	390,720
Investments	7,875,000	673,835	613,000	9,161,835
Receivables (Net, where applicable, of allowances for uncollectible accounts):				
Customers	1,855,500	345,499	272,091	2,473,090
Other	307,311	24,879	1,211	333,401
Due from cities - current	24,280	-	-	24,280
Inventory	1,509,913	512,348	32,793	2,055,054
Prepaid expenses	1,126,338	109,053	109,053	1,344,444
Total Current Assets	\$ 13,300,972	\$ 3,469,421	\$ 3,086,277	\$ 19,856,670
Property, Plant and Equipment (Net of accumulated depreciation):	15,399,996	25,827,896	16,792,974	58,020,866
Other Assets:				
Other investment - land	505,055	-	-	505,055
Water rights	-	1,500,000	-	1,500,000
Prairie State Energy	87,836	-	-	87,836
Due from cities - long-term	64,999	-	-	64,999
<b>Total Assets</b>	<b>\$ 29,358,858</b>	<b>\$ 30,797,317</b>	<b>\$ 19,879,251</b>	<b>\$ 80,035,426</b>
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 1,097,224	\$ 548,612	\$ 548,612	\$ 2,194,448
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 2,443,923	\$ 503,544	\$ 237,732	\$ 3,185,199
Customer deposits	433,270	98,405	99,977	631,652
Other accrued expenses	85,352	27,756	28,172	141,280
Accrued leave	607,292	149,662	127,065	884,019
Accrued interest	-	25,699	-	25,699
Current portion of long-term debt	719,800	979,200	265,000	1,964,000
Current portion due to PWSD#1	-	67,500	-	67,500
Total Current Liabilities	\$ 4,289,637	\$ 1,851,766	\$ 757,946	\$ 6,899,349
Long-term Liabilities:				
Due to PWSD #1	-	540,000	-	540,000
Net pension liability	1,560,828	780,415	780,415	3,121,658
OPEB obligation	45,181	29,183	28,418	102,782
Long-term debt	1,387,110	5,507,117	5,650,000	12,544,227
<b>Total Liabilities</b>	<b>\$ 7,282,756</b>	<b>\$ 8,708,481</b>	<b>\$ 7,216,779</b>	<b>\$ 23,208,016</b>
<b>Deferred Inflows of Resources</b>				
Difference between expected and actual experience in the total pension liability	\$ 243,243	\$ 121,621	\$ 121,622	\$ 486,486
<b>Net Position</b>				
Invested in capital assets, net of related long-term debt	\$ 13,293,086	\$ 19,341,579	\$ 11,490,974	\$ 44,125,639
Restricted for debt service	-	382,762	620,958	1,003,720
Unrestricted	9,636,997	2,791,486	977,530	13,406,013
<b>Total Net Position</b>	<b>\$ 22,930,083</b>	<b>\$ 22,515,827</b>	<b>\$ 13,089,462</b>	<b>\$ 58,535,372</b>

The accompanying notes are an integral part of these financial statements.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Statement of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2016



	<b>Electric Department</b>	<b>Water Department</b>	<b>Sewer Department</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for services				
Residential	\$ 9,011,433	\$ 2,515,427	\$ 2,488,500	\$ 14,015,360
Commercial	3,561,772	1,771,128	1,752,124	7,085,024
Industrial	12,460,812	-	2,018	12,462,830
Wholesale	-	648,596	-	648,596
Penalties	172,833	49,628	46,924	269,385
Prairie State Energy sales	3,271,386	-	-	3,271,386
Total Operating Revenues	<u>\$ 28,478,236</u>	<u>\$ 4,984,779</u>	<u>\$ 4,289,566</u>	<u>\$ 37,752,581</u>
<b>Operating Expenses:</b>				
Purchased power	\$ 22,430,734	\$ -	\$ -	\$ 22,430,734
Salaries and wages	1,785,559	1,153,314	1,123,062	4,061,935
Benefits	1,405,264	706,758	705,454	2,817,476
Purchased services	554,246	264,895	288,677	1,107,818
Supplies	179,020	723,596	236,245	1,138,861
Noncapitalized equipment	37,888	35,890	20,180	93,958
Uncollectible accounts expense	79,466	14,903	17,306	111,675
Other objects	838,790	763,207	744,246	2,346,243
Depreciation	1,140,470	584,593	716,186	2,441,249
Amortization	3,433	-	-	3,433
Total Operating Expenses	<u>\$ 28,454,870</u>	<u>\$ 4,247,156</u>	<u>\$ 3,851,356</u>	<u>\$ 36,553,382</u>
<b>Income (Loss) from Operations</b>	<u>\$ 23,366</u>	<u>\$ 737,623</u>	<u>\$ 438,210</u>	<u>\$ 1,199,199</u>
<b>Non-Operating Revenue (Expense)</b>				
Interest income	\$ 110,540	\$ 12,672	\$ 24,514	\$ 147,726
Rental income	9,600	-	-	9,600
Miscellaneous	163,213	82,721	34,694	280,628
Interest expense/fees	(110,114)	(157,312)	(238,754)	(506,180)
Gain (Loss) on capital assets	-	(1,096)	-	(1,096)
<b>Total Non-Operating Revenue (Expense)</b>	<u>\$ 173,239</u>	<u>\$ (63,015)</u>	<u>\$ (179,546)</u>	<u>\$ (69,322)</u>
<b>Net Income (Loss)</b>	<u>\$ 196,605</u>	<u>\$ 674,608</u>	<u>\$ 258,664</u>	<u>\$ 1,129,877</u>
<b>Net Position, Beginning of Year</b>	22,733,478	22,107,933	12,827,342	57,668,753
Prior Period Adjustments	-	(266,714)	3,456	(263,258)
<b>Net Position, End of Year</b>	<u>\$ 22,930,083</u>	<u>\$ 22,515,827</u>	<u>\$ 13,089,462</u>	<u>\$ 58,535,372</u>

The accompanying notes are an integral part of these financial statements.



City of Hannibal, Missouri  
Board of Public Works  
Statement of Cash Flows  
Year Ended June 30, 2016



	Electric Fund	Water Fund	Sewer Fund	Total
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 28,515,538	\$ 4,946,220	\$ 4,273,922	\$ 37,735,680
Payments to suppliers	(25,440,852)	(2,191,030)	(1,931,973)	(29,563,855)
Payments to employees	(1,358,188)	(982,953)	(1,003,986)	(3,345,127)
Net Cash Flows Provided By (Used In) Operating Activities	\$ 1,716,498	\$ 1,772,237	\$ 1,337,963	\$ 4,826,698
<b>Cash Flows from Investing Activities:</b>				
Interest revenue	\$ 110,540	\$ 12,672	\$ 24,514	\$ 147,726
Increase (decrease) short-term investments	5,433	74,578	-	80,011
Additions to capital assets	(974,192)	(6,474,106)	(1,040,055)	(8,488,353)
Other revenue	172,813	82,721	34,694	290,228
Gain (loss) on capital assets	-	(1,096)	-	(1,096)
Net Cash Flows Provided By (Used In) Investing Activities	\$ (685,406)	\$ (6,305,231)	\$ (980,847)	\$ (7,971,484)
<b>Cash Flows from Capital Financing Activities:</b>				
Due from cities	\$ 23,353	\$ -	\$ -	\$ 23,353
Principal paid on capital debt	(895,850)	(301,650)	(260,000)	(1,457,500)
Debt proceeds	-	5,826,227	-	5,826,227
Interest expense paid	(110,114)	(131,613)	(238,754)	(480,481)
Net Cash Provided By (Used In) Capital Financing Activities	\$ (982,611)	\$ 5,392,964	\$ (498,754)	\$ 3,911,599
<b>Net Increase (Decrease) in Cash</b>	\$ 48,481	\$ 859,970	\$ (141,638)	\$ 766,813
<b>Cash at Beginning of Year</b>	554,149	943,837	2,199,767	3,697,753
<b>Cash at End of Year</b>	\$ 602,630	\$ 1,803,807	\$ 2,058,129	\$ 4,464,566



**City of Hannibal, Missouri**  
**Board of Public Works**  
Statement of Cash Flows (Concluded)  
Year Ended June 30, 2016



	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	\$ 23,366	\$ 737,623	\$ 438,210	\$ 1,199,199
Adjustments to reconcile net income to net cash provided by:				
Depreciation	1,140,470	584,593	716,186	2,441,249
Changes in operating assets and liabilities				
(Increase) decrease in:				
Accounts receivable - customers	9,741	(40,746)	(18,842)	(49,847)
Accounts receivable - other	19,836	500	(264)	20,072
Inventories	(133,885)	(52,513)	(5,795)	(192,193)
Prepaid expenses	(29,992)	(5,458)	(5,460)	(40,910)
Increase (decrease) in:				
Accounts payable	260,572	359,542	80,881	700,995
Accrued expenses	(20,662)	10,671	4,530	(5,461)
OPEB obligation	14,669	11,444	10,141	36,254
Net pension obligation	338,706	169,353	169,355	677,414
Customer deposits	7,725	1,687	3,462	12,874
Accrued leave	85,952	(4,459)	(54,441)	27,052
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>\$ 1,716,498</b>	<b>\$ 1,772,237</b>	<b>\$ 1,337,963</b>	<b>\$ 4,826,698</b>





**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## **1. Summary of Significant Accounting Policies**

### *Reporting Entity:*

Board of Public Works of Hannibal, Missouri, (the "HBPW"), is a municipality owned utility of the City of Hannibal, Missouri (the "City"), as provided for in the City Charter. The HBPW is comprised of the electric, water, and sewer utilities.

For financial reporting purposes, the HBPW includes all funds that are controlled by the Board of Public Works of Hannibal, Missouri as determined on the basis of financial interdependency, selection of management, ability in influence operations and budget adoption. No other funds or entities met any of these criteria.

### *Basis of Accounting:*

The HBPW consists of three enterprise funds: electric utility, water utility and sewer utility. The HBPW utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded as incurred.

The financial statements have been prepared in conformity with the pronouncements of the Governmental Accounting Standards Board (GASB), the standard-setting body for state and local governments. These standards define the Electric, Water and Sewer funds as enterprise funds of the City. Accordingly, the financial statements of the HBPW are included in the Financial Report of the City.

### *Capital Assets:*

The cost of additions and betterments of utility plant is capitalized. Costs include material, labor, vehicle and equipment usage, related overhead items, capitalized interest and administrative and general expenses.

Expenses for maintenance and renewals of items not considered to be units of property are charged to income as incurred. When units of depreciable property are retired, the original cost and removal costs, less salvage are charged to accumulated depreciation.

### *Depreciation:*

Depreciation is provided over the estimated lives of the various classes of depreciable property by applying composite rates on a straight-line basis. The provisions for depreciation in 2016, based on estimates of useful lives, were as follows:

Buildings	25 – 50 years
Improvements	10 – 100 years
Equipment	3 – 10 years

### *Investments:*

Investments consist of bank certificates of deposit and money market accounts and are reported at June 30 values.

### *Inventories:*

Inventory is valued at the lower of cost or market on a first-in, first-out (FIFO) basis.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## 1. Summary of Significant Accounting Policies (Concluded)

### *Pensions:*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Capitalization of Interest*

Net interest costs related to acquiring or constructing certain utility plants are capitalized as a part of the cost of the related asset. The HBPW has capitalized interest on construction projects financed with the revenue bonds, commercial paper and renewal and replacement funds in accordance with generally accepted accounting standards. No interest was capitalized during the year ended June 30, 2016.

### *Budgeting:*

The City Charter requires the HBPW to prepare and submit an annual operating budget showing estimated revenues and expenses for use by the City Council.

### *Cash and Cash Equivalents:*

For purposes of combining statements of cash flows, the HBPW considers all certificates of deposit and restricted investments with original maturity of three months or less to be cash equivalents.

### *Management's Estimates:*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

### *Accounts Receivables:*

Receivables include amounts due from customers for Electric, Water, and Sewer Services. Receivables are reported net of an allowance for uncollectible accounts. Accounts receivable netted with allowances for uncollectible accounts were \$2,473,090 for year ended June 30, 2016. The allowance for uncollectible accounts was \$130,000 at June 30, 2016.

## 2. Capital Assets

A summary of the changes in the capital assets and accumulated depreciation of the HBPW is included in a separate schedule in the supplementary information section of this report.

Depreciation expense was charged to the functions of the government as follows:

Electric	\$ 1,140,470
Water	584,593
Sewer	716,186
Total	<u>\$ 2,441,249</u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
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June 30, 2016



### 3. Deposits and Investments

The HBPW maintains cash and investment securities. The HBPW permits investments only in direct obligations of the U.S. Government such as bills, notes or bonds, and any other obligations guaranteed as to payment of principal and interest by the U.S Government or any agency or instrumentality thereof. Funds in the form of cash on deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investment held by the HBPW agents in the HBPW's name.

The following represents the HBPW's total cash and investments at June 30, 2016:

	<b>2016</b>
Checking/money market accounts	\$ 4,073,846
Certificates of deposit	7,875,000
Other short term investments	673,835
Debt service accounts	1,003,720
Total	<u>\$ 13,626,401</u>

These cash and investments are included in the following balance sheet accounts at June 30, 2016:

	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
Cash	\$ 602,630	\$ 1,421,045	\$ 2,050,171	\$ 4,073,846
Short term investments	7,875,000	673,835	-	8,548,835
Debt service accounts	-	382,762	620,958	1,003,720
Total	<u>\$ 8,477,630</u>	<u>\$ 2,477,642</u>	<u>\$ 2,671,129</u>	<u>\$ 13,626,401</u>

### 4. Long-Term Obligations

For the year ended June 30, 2016, the changes in long-term debt are as follows:

	<b>Balance July 1, 2015</b>	<b>(Retirements) Additions</b>	<b>Balance June 30, 2016</b>
Lease Purchase Agreement	\$ 1,580,000	\$ (365,000)	\$ 1,215,000
Lease Purchase Agreement	2,317,000	(765,000)	1,552,000
Revenue Bonds	-	5,826,227	5,826,227
Escrow Trust Agreement	675,000	(67,500)	607,500
Revenue Bonds	6,175,000	(260,000)	5,915,000
Total	<u>\$ 10,747,000</u>	<u>\$ 4,368,727</u>	<u>\$ 15,115,727</u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



#### 4. Long-Term Obligations (Continued)

The long-term obligations consist of the following issues:

	<u>2016</u>
\$4,660,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities	\$ 1,215,000
\$6,971,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities - Series 2006-A	1,552,000
\$12,960,000 Waterworks Revenue Bonds, Series 2015, due 2036	5,826,227
\$1,500,000 Escrow Trust Agreement - Due to PWSD #1	607,500
\$6,430,000 Sewerage System Revenue Bonds, Series 2013, due 2034	<u>5,915,000</u>
Total	\$ 15,115,727
Less: Current portion due to PWSD #1	(67,500)
Less: Current portion long-term debt	<u>(1,964,000)</u>
Net Long-Term Debt	<u><u>\$ 13,084,227</u></u>

##### *Lease Purchase Agreement – Missouri Association of Municipal Utilities*

The HBPW has entered into a lease purchase agreement with the Missouri Association of Municipal Utilities through their leasing financing program. Debt was incurred to construct a new water tank, two substations and the Sawyer Creek sewer line.

A summary of the total amount of base rentals is as follows:

<b>Fiscal Year</b> <b>June 30,</b>	
2017	\$ 437,367
2018	438,549
2019	<u>438,737</u>
	\$ 1,314,653
Less Amounts Representing Interest	<u>(99,653)</u>
	<u><u>\$ 1,215,000</u></u>

##### *Lease Purchase Agreement – Missouri Association of Municipal Utilities*

On May 15, 2008, the HBPW entered into a lease/purchase agreement with the Missouri Association of Municipal Utilities through their leasing financing program in the amount of \$6,971,000. Debt was incurred to finance the 161 kV transmission line and substation west of the City and improvements to the disinfection system at the water treatment plant.

This lease includes both water and electric, therefore, the accrued interest and related liability is divided between both proprietary funds: 88% electric and 12% water.





City of Hannibal, Missouri  
Board of Public Works  
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#### 4. Long-Term Obligations (Continued)

A summary of the total amount of base rentals is as follows:

<b>Fiscal Year June 30,</b>	
2017	\$ 840,659
2018	770,364
	<u>\$ 1,611,023</u>
Less Amounts Representing Interest	(59,023)
	<u><u>\$ 1,552,000</u></u>

##### *Escrow Trust Agreement*

On October 20, 2004, the HBPW entered into a Sale Contract with the Public Water Supply District No. 1 of Ralls County (the "PWSD #1"), pursuant to which the HBPW agreed to acquire the right to provide water service to the area described in the Sale Contract for the sum of \$1,500,000.

Under the Sale Contract, the HBPW has heretofore paid \$150,000 of the cost of acquiring such rights, and is obligated to pay the remaining portion of the acquisition price (\$1,350,000.00) in semi-annual payments of \$33,750 beginning July 1, 2005 and ending January 1, 2025.

The HBPW intends to provide for the payment of the Purchase Price through the appropriation of funds sufficient to make the payments. The HBPW has agreed to secure its obligation to pay the remainder of the Purchase Price by the deposit of cash and Escrowed Securities into an escrow account to be established under this Escrow Agreement with the Bank of New York.

The cost of acquiring these rights of \$1,500,000 has been capitalized and is shown as an other asset on the balance sheet of the water department. The HBPW has determined no impairment of this asset as of June 30, 2016.

The payment schedule is as follows:

<b>Fiscal Year June 30</b>	
2017	\$ 67,500
2018	67,500
2019	67,500
2020	67,500
2021	67,500
2022-2025	270,000
	<u><u>\$ 607,500</u></u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



#### **4. Long-Term Obligations (Continued)**

##### **Series 2013 Revenue Bonds**

The HBPW issued \$6,430,000 of Sewerage System Revenue Bonds dated November 19, 2013. The proceeds of the bond issue were used to acquire, construct, extend, and improve the City's sewerage system. Debt service payments on the Bonds are financed through revenues derived from the operation of the Sewerage System. Interest on the Bonds will be payable semiannually on January 1 and July 1 beginning on July 1, 2014. Principal payments are due annually on July 1 beginning July 1, 2015. The bonds mature July 1, 2033.

The payment schedule is as follows:

<b>Fiscal Year June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ -	\$ 231,649	\$ 231,649
2018	265,000	226,399	491,399
2019	270,000	221,049	491,049
2020	275,000	215,255	490,255
2021	280,000	208,486	488,486
2022-2026	1,555,000	1,109,091	2,664,091
2027-2031	1,900,000	556,679	2,456,679
2032-2034	1,370,000	102,375	1,472,375
	<u>\$ 5,915,000</u>	<u>\$ 2,870,983</u>	<u>\$ 8,785,983</u>

##### **Series 2015 Revenue Bonds**

The HBPW issued \$12,960,000 of Waterworks Revenue Bonds dated October 1, 2015. The proceeds of the bond issue will be used to acquire, construct, improve, and equip the City's drinking water facilities. As of June 30, 2016, the HBPW has received bond proceeds totaling of \$5,826,227 of the available \$12,960,000. Debt service payments on the Bonds are financed through revenues derived from the operation of the Waterworks System. Principal and interest on the Bonds will be payable semiannually on January 1 and July 1 beginning on July 1, 2016. The bonds mature July 1, 2035.

A debt service payment schedule will be presented after the completion of the funding of the Bonds.

##### **Prairie State Energy Contract**

On January 12, 2007, the City entered into the Amended and Restated Unit Power Purchase Agreement ("Agreement" or "UPPA") with the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") for the purchase and sale of capacity and energy from the Prairie State Energy Campus. The UPPA is a life-of-unit, take-or-pay agreement pursuant to which MJMEUC supplies and the City purchases capacity and energy to serve the City's electric utility system. The City's payment obligations under the UPPA are limited to the requirements to make payments from revenues of the City's electric utility system. All payments made by the City pursuant to the UPPA are considered operation and maintenance expenses of the electric utility system. The City is required under the UPPA to at all times establish, maintain and collect rates, fee and charges for electric service sufficient to meet the City's obligations under the UPPA.

The City is a member of MJMEUC. MJMEUC is a joint municipal utility commission formed under RSMo 393.700 et seq., and is currently comprised of 67 municipal members (as of December 31, 2015) and five advisory members in Arkansas. MJMEUC's purpose is to procure electric energy and capacity for the benefit of, and pursuant to the governance and direction of, MJMEUC's members. MJMEUC operations are governed by its members consisting of one representative from each MJMEUC Member. MJMEUC's audited financials are available on its website [www.mpu.org](http://www.mpu.org).



**City of Hannibal, Missouri**  
**Board of Public Works**  
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**June 30, 2016**



#### **4. Long-Term Obligations (Concluded)**

MJMEUC acquired a 12.33% ownership interest in the Prairie State Energy Campus ("Prairie State"). Prairie State is a two unit, 1,582 MW coal-fired facility, including associated coal reserves and coal-mining facilities that commenced operations in 2012. MJMEUC's ownership interest in Prairie State equates to 195 MW (Megawatt). Under the UPPA, MJMEUC provides approximately 10% (or about 20 MW) of MJMEUC's energy and capacity in Prairie State, to the City. The UPPA does not create any ownership rights on the part of the City in Prairie State.

Under the UPPA, MJMEUC sets rates to recover all of its costs incurred in connection with acquiring, providing, arranging or financing its interest in the Prairie State Project. The City is liable under the UPPA for its proportionate share of (a) the fixed and variable costs MJMEUC incurs in connection with Prairie State, and (b) MJMEUC's administrative and other reasonable costs associated with its role as power supplier to the City.

The City receives monthly power bills for its proportionate share of MJMEUC's costs to operate and maintain the facility, including debt service costs. Such costs are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make under contracts and/or financial commitments and obligations entered into by MJMEUC necessary for its ownership interest in Prairie State, without regard to whether the resource is available to or used by the City. Direct costs can include amounts required to fund capital and/or operating reserves and debt service coverages MJMEUC is required to maintain. MJMEUC capitalized its total costs incurred in development and construction of Prairie State and is recovering those costs through monthly capacity charges.

The UPPA requires that rates charged to the City be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months. Charges based on such rates are assessed and billed monthly.

#### **5. Other Non-Current Liabilities**

In accordance with Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the HBPW is required to account for a liability if the HBPW did not make contributions equal to or more than the Annual Required Contribution (ARC) as calculated by the actuary for other postemployment benefits (OPEB) owed to retirees and beneficiaries. The HBPW pays for continued health insurance coverage for a three year period after retirement. After the three years the retirees can stay on the plan solely at their own expense unless they are Medicare eligible. Once they are Medicare eligible they are not eligible to remain on the plan. For the year ended June 30, 2016, the HBPW had accumulated a liability of \$102,782.

#### **6. Pension Plan**

*Plan Description:*

The HBPW's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The HBPW participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The Plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided:*

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credit service. Employees who retire on or after age 60 with 5 or more years of service are



City of Hannibal, Missouri  
Board of Public Works  
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June 30, 2016



## 6. Pension Plan (Continued)

entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	2016 Valuation
Benefit Multiplier:	1.75% for life, plus .25% to age 65
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

### *Employees Covered by Benefit Terms*

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	8
Active employees	64
Total	<u>130</u>

### *Contributions:*

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 18.6% of annual covered payroll.

### *Net Pension Liability:*

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

### *Actuarial Assumptions:*

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2041 Healthy Annuity mortality table for both males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for both males and females. The pre-retirement mortality tables were used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.





**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## 6. Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

### *Discount Rate:*

The discount rate used to measure the total pension liability is 7.25%. The projections of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

### **Changes in the Net Position Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2015	\$ 19,430,759	\$ 18,179,419	\$ 1,251,340
Changes for the year:			
Service Cost	\$ 396,111	\$ -	
Interest	1,381,075	-	
Difference between expected and actual experience	(313,060)	-	
Changes in assumptions	685,338	-	
Contributions-employer	-	653,218	
Contributions-employee	-	25,792	
Net investment income	-	(45,644)	
Benefits payments, including refunds	(1,172,585)	(1,172,585)	
Administrative expense	-	(10,849)	
Other changes	-	(343,369)	
Net changes	\$ 976,879	\$ (893,437)	\$ 1,870,316
Balances at 6/30/2016	\$ 20,407,638	\$ 17,285,982	\$ 3,121,656

### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate:*

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## 6. Pension Plan (Concluded)

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 23,125,891	\$ 20,407,638	\$ 18,160,839
Plan Fiduciary Net Position	17,285,982	17,285,982	17,285,982
Net Pension Liability/(Asset)	<u>\$ 5,839,909</u>	<u>\$ 3,121,656</u>	<u>\$ 874,857</u>

### *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2016, the employer recognized pension expense of \$1,275,300. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (486,486)
Changes in assumptions	551,587	-
Net difference between projected and actual earnings on pension plan investments	1,642,861	-
Payment made by City by Measurement but not a contribution on LAGERS report	-	-
Total	<u>\$ 2,194,448</u>	<u>\$ (486,486)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ 457,501
2018	457,501
2019	457,503
2020	326,449
2021	9,008
Thereafter	-
Total	<u>\$ 1,707,962</u>

### *Payable to the Pension Plan*

At June 30, 2016, the HBPW reported a payable of \$51,134 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

## 7. Health Insurance Plan for Retired Employees

The HBPW provides health insurance coverage to qualifying former employees and their dependents. The HBPW pays for continued health insurance coverage for a three year period after retirement. After the three years the retirees can stay on the plan solely at their own expense unless they are Medicare eligible. Once they are Medicare eligible they are not eligible to remain on the plan.

Covered employees are not required to contribute to the Plan for up to three years. The City is also not required to contribute to the Plan. Employees who retire with a covered spouse pay 25% of the spouse rate for up to 3 years or until age 65. After three years, participants must pay 100% of the plan premium rates. The



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## 7. Health Insurance Plan for Retired Employees (Continued)

City's annual OPEB cost and net OPEB obligation for the plan for the year ended June 30, 2016 were as follows:

Annual required contribution	\$ 127,921
Interest on net OPEB obligation	2,328
Adjustment to annual required contribution	(2,995)
Annual OPEB cost	\$ 127,254
Contributions made	(91,000)
Increase (Decrease) in net OPEB obligation	\$ 36,254
Net OPEB obligation, beginning of year	66,528
Net OPEB obligation, end of year	<u>\$ 102,782</u>

The annual required contribution for the year ended June 30, 2016, was determined as part of the July 1, 2015 actuarial valuation using the Projected Unit Actuarial Cost method. The actuarial assumptions at July 1, 2015, included (a) 3.50% investment rate of return, (b) valuation date at July 1, 2015, (c) health care inflation rate of 7.5% initial to 5.0% ultimate, (d) dental cost trend of 3.5% per year, (e) cost analysis by age, (f) when employer-paid coverage applies 100% of future retiring employees are assumed to elect coverage, when employer-paid coverage does not apply, 10% are assumed to elect coverage (g) mortality rate based on RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with Scale MP-2015 Full Generational Improvement, (h) retirement rates used were those used for the LAGERS pension actuarial valuation, (i) turnover incident rates used were those used for the LAGERS pension actuarial valuation, (j) disability incidence was not assumed, (k) 70% of future participating retirees are assumed to have a covered spouse, (l) Males are assumed to be 3 years older than their female spouses for future retirees, (m) Medicare eligibility age is 65, (n) claim payments are mid-year, (o) non-spouse dependents were deemed immaterial and not valued, (p) upon retirement, participants are assumed to elect coverage to age 65. Upon covered retiree death or attainment of age 65, a covered spouse is assumed to elect up to three years of coverage not to exceed their own age 65.

The actuarial value of the Plan assets was not calculated due to the understanding that there are no plan assets as recognized under GASB rules. Retiree costs are paid as they come due through general operating funds of the HBPW. The Plan's unfunded actuarial accrued liability is amortized over 30 years as a level percent-of-pay on an open period basis.

As of July 1, 2015, the most recent actuarial valuation date, the Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$1,054,672 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,054,672. The covered payroll (annual payroll of active employees covered by the plan) was \$3,332,655 and the ratio of the UAAL to covered payroll was 31.6 percent.

The schedule of funding progress, presented as RSI following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Information				
Fiscal Year Ended	Annual OPEB Cost	Expected Contributions Made	Percentage Contributed	Net OPEB Obligation
2012	\$ 118,559	\$ 117,000	98.7%	\$ 84,354
2013	118,540	128,000	108.0%	74,894
2014	118,985	121,000	101.7%	72,879
2015	94,649	101,000	106.7%	66,528
2016	127,254	91,000	71.5%	102,782



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



**7. Health Insurance Plan for Retired Employees (Concluded)**

At July 1, 2015, the Plan membership consisted of:

Retirees and beneficiaries receiving benefits	12
Active members	62
Total members	<u>74</u>

**8. Obligations to Purchase Electric Power and Energy**

The HBPW has an agreement with Illinois Power Marketing to purchase electric power and energy. The rate per kilowatt-hour is fixed through May 31, 2017 under a firm contract. The agreement is for a fixed cost of \$41.69/MWh. The HBPW also pays a monthly facility charge for the use of the AmerenUE substation on Highway 79.

**9. Accrued Leave**

Vacation hours earned range from 0-200 hours and occur at the employee's anniversary date. All prior vacation is lost at the anniversary date. Sick pay accrues at 8 hours per month. Maximum accrual for union employees is 800 hours. Personal time is accrued on July 1 for all employees (16 hours total). All prior unused time is lost.

A summary of vacation, sick leave, and personal time off accruals is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Vacation/Personal	\$ 100,323	\$ 21,388	\$ 16,699
Sick	506,969	128,274	110,366
	<u>\$ 607,292</u>	<u>\$ 149,662</u>	<u>\$ 127,065</u>

**10. Other Investments**

Other investments consist of the following:

	<u>2016</u>
Land for industrial park site on Route MM in Hannibal, Missouri net of dirt sold to state for highway and bridge projects.	\$ 505,055
Prairie State Energy Coal Reserves	87,836
	<u>\$ 592,891</u>

The initial investment of \$103,000 with Prairie State for coal reserves is being amortized over the estimated life of the agreement. The investment is shown net of accumulated amortization. Amortization expense for the year ended June 30, 2016, amounted to \$3,433.



**City of Hannibal, Missouri**  
**Board of Public Works**  
Notes to Financial Statements  
June 30, 2016



## 11. Due from City

During the year ended June 30, 2005, the City borrowed \$310,000 from the HBPW for sewer services to Sawyer's Creek and Mark Twain Cave. This will be repaid using sales tax revenue from Sawyer's Creek and Mark Twain Cave based on a fifteen-year repayment schedule. The interest rate will be reviewed annually and the HBPW retains the option to adjust the interest rate, not to exceed two percentage points above the HBPW's current investment portfolio rate of return. A summary of the repayment schedule follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 24,280	\$ 3,140	\$ 27,420
2018	25,243	2,177	27,420
2019	26,246	1,174	27,420
2020	13,511	198	13,709
Total	<u>\$ 89,280</u>	<u>\$ 6,689</u>	<u>\$ 95,969</u>

## 12. Subsequent Events

Subsequent events have been evaluated through November 17, 2016, which is the date the reports were available to be issued.

## 13. Prior Period Adjustment

During the year ended June 30, 2016, the HBPW determined the beginning balance of the inventory was incorrectly reported. As such, the HBPW has reported a prior period adjustment to decrease the net position in the Water fund by \$266,714 and increase the net position in the Sewer fund by \$3,456. This total prior period adjustment of \$263,258 is shown in the Statement of Revenues, Expenses, and Changes in Net Fund Position.



**Required Supplemental  
Schedules**



City of Hannibal, Missouri  
Board of Public Works

Schedule of Changes in Net Pension Liability and Related Notes  
June 30, 2016



	2016	2015
<b>Total Pension Liability</b>		
Service Cost	\$ 396,111	\$ 412,341
Interest on Total Pension Liability	1,381,075	1,362,410
Changes of benefit terms	-	-
Difference between expected and actual experience	(313,060)	(382,273)
Changes of assumptions	685,338	-
Benefit payments, including refunds	(1,172,585)	(1,083,083)
Net change in total pension liability	\$ 976,879	\$ 309,395
Total pension liability-beginning	19,430,759	19,121,364
Total pension liability-ending (a)	\$ 20,407,638	\$ 19,430,759
<b>Plan Fiduciary Net Position</b>		
Contributions-employer	\$ 653,218	\$ 731,733
Contributions-employee	25,792	-
Net investment income	(45,644)	360,839
Benefit payments, including refunds	(1,172,585)	(1,083,083)
Pension plan administrative expense	(10,849)	(11,836)
Other (Net Transfer)	(343,369)	(427,100)
Net change in plan fiduciary net position	\$ (893,437)	\$ (429,447)
Plan fiduciary net position-beginning	18,179,419	18,608,866
Plan fiduciary net position-ending (b)	\$ 17,285,982	\$ 18,179,419
Net pension liability/(asset)-ending (a) - (b)	\$ 3,121,656	\$ 1,251,340
Plan fiduciary net position as a percentage of the total pension liability	84.70%	93.56%
Covered-employee payroll	\$ 3,587,196	\$ 3,722,920
Net pension liability as a percentage of covered employee payroll	87.02%	33.61%



**City of Hannibal, Missouri**  
**Board of Public Works**  
Schedule of Contributions  
June 30, 2016



	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Actuarially determined contribution	\$ 653,218	\$ 731,733	\$ 731,346	\$ 689,510	\$ 591,382
Contributions in relation to the actuarially determined contribution	653,218	731,733	720,152	664,107	559,066
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,194</u>	<u>\$ 25,403</u>	<u>\$ 32,316</u>
Covered employee payroll	\$ 3,711,467	\$ 3,771,818	\$ 3,731,356	\$ 3,629,000	\$ 3,231,596
Contributions as a percentage of covered employee payroll	17.60%	19.40%	19.30%	18.30%	17.30%

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Actuarially determined contribution	\$ 587,691	\$ 488,786	\$ 518,746	\$ 520,374	\$ 565,518
Contributions in relation to the actuarially determined contribution	509,541	488,786	518,746	520,374	565,518
Contribution deficiency (excess)	<u>\$ 78,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,126,017	\$ 3,194,679	\$ 3,412,805	\$ 3,212,187	\$ 3,107,240
Contributions as a percentage of covered employee payroll	16.30%	15.30%	15.20%	16.20%	18.20%

*The accompanying notes are an integral part of these financial statements.*



**City of Hannibal, Missouri**  
**Board of Public Works**  
Schedule of Contributions  
June 30, 2016



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**Notes to Schedule**

Valuation Date February 29, 2016

Notes: The roll-forward of total pension liability from February 29, 2016 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period Multiple bases from 13 to 19 years

Asset Valuation Method 5-year smoothed market; 20% corridor

Inflation 3.25% wage inflation; 2.50% price inflation

Salary Increases 3.25% to 6.55% including wage inflation

Investment Rate of Return 7.25%, net of investment and administrative expenses

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition

Mortality The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality table, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Other Information New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

**Supplementary Schedules**





**City of Hannibal, Missouri**  
**Board of Public Works**  
 Electric Department  
 Plant Assets and Depreciation Schedule  
 Year Ended June 30, 2016



	Cost 6/30/2015	Additions	Retirements and Other	Cost 6/30/2016	Accumulated Depreciation 6/30/2015	Depreciation for the Year	Retirements	Accumulated Depreciation 6/30/2016
Equipment	\$ 8,881,577	\$ -	\$ -	\$ 8,881,577	\$ 5,992,814	\$ 421,878	\$ -	\$ 6,414,692
Transportation equipment	1,300,023	276,580	10,526	1,566,077	786,982	97,124	10,526	873,580
Infrastructure	18,330,232	394,612	-	18,724,844	7,176,504	614,065	-	7,790,569
Land and improvements	131,419	-	-	131,419	9,691	339	-	10,030
Structures	1,551,022	27,781	-	1,578,803	1,089,366	7,064	-	1,096,430
<b>Total Utility Plant in Service</b>	<b>\$ 30,194,273</b>	<b>\$ 698,973</b>	<b>\$ 10,526</b>	<b>\$ 30,882,720</b>	<b>\$ 15,055,357</b>	<b>\$ 1,140,470</b>	<b>\$ 10,526</b>	<b>\$ 16,185,301</b>
<b>Construction in Progress</b>	<b>427,358</b>	<b>275,219</b>	<b>-</b>	<b>702,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Utility Plant</b>	<b>\$ 30,621,631</b>	<b>\$ 974,192</b>	<b>\$ 10,526</b>	<b>\$ 31,585,297</b>	<b>\$ 15,055,357</b>	<b>\$ 1,140,470</b>	<b>\$ 10,526</b>	<b>\$ 16,185,301</b>



**City of Hannibal, Missouri**  
**Board of Public Works**  
 Water Department  
 Plant Assets and Depreciation Schedule  
 Year Ended June 30, 2016



	<b>Cost 6/30/2015</b>	<b>Additions</b>	<b>Retirements and Other</b>	<b>Cost 6/30/2016</b>	<b>Accumulated Depreciation 6/30/2015</b>	<b>Depreciation for the Year</b>	<b>Retirements</b>	<b>Accumulated Depreciation 6/30/2016</b>
Equipment	\$ 275,779	\$ 91,109	\$ -	\$ 366,888	\$ 155,480	\$ 22,495	\$ -	\$ 177,975
Transportation equipment	407,216	35,870	19,349	423,737	192,376	35,798	18,253	209,921
Infrastructure	27,368,592	228,479	-	27,597,071	9,718,877	519,597	-	10,238,474
Land and improvements	108,675	-	-	108,675	-	-	-	-
Structures	655,910	13,888	-	669,798	538,603	6,703	-	545,306
<b>Total Utility Plant in Service</b>	<b>\$ 28,816,172</b>	<b>\$ 369,346</b>	<b>\$ 19,349</b>	<b>\$ 29,166,169</b>	<b>\$ 10,605,336</b>	<b>\$ 584,593</b>	<b>\$ 18,253</b>	<b>\$ 11,171,676</b>
<b>Construction in Progress</b>	<b>\$ 1,727,547</b>	<b>\$ 6,105,856</b>	<b>\$ -</b>	<b>\$ 7,833,403</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Utility Plant</b>	<b>\$ 30,543,719</b>	<b>\$ 6,475,202</b>	<b>\$ 19,349</b>	<b>\$ 36,999,572</b>	<b>\$ 10,605,336</b>	<b>\$ 584,593</b>	<b>\$ 18,253</b>	<b>\$ 11,171,676</b>



**City of Hannibal, Missouri**  
**Board of Public Works**  
 Sewer Department  
 Plant Assets and Depreciation Schedule  
 Year Ended June 30, 2016



	<b>Cost 6/30/2015</b>	<b>Additions</b>	<b>Retirements and Other</b>	<b>Cost 6/30/2016</b>	<b>Accumulated Depreciation 6/30/2015</b>	<b>Depreciation for the Year</b>	<b>Retirements</b>	<b>Accumulated Depreciation 6/30/2016</b>
Equipment	\$ 707,664	\$ 190,999	\$ -	\$ 898,663	\$ 257,342	\$ 85,824	\$ -	\$ 343,166
Transportation equipment	792,429	109,600	-	902,029	495,649	61,373	-	557,022
Infrastructure	28,297,276	-	-	28,297,276	17,776,421	563,427	-	18,339,848
Land and improvements	518,543	-	-	518,543	-	-	-	-
Structures	183,767	13,887	-	197,654	95,473	5,562	-	101,035
<b>Total Utility Plant in Service</b>	<b>\$ 30,499,679</b>	<b>\$ 314,486</b>	<b>\$ -</b>	<b>\$ 30,814,165</b>	<b>\$ 18,624,885</b>	<b>\$ 716,186</b>	<b>\$ -</b>	<b>\$ 19,341,071</b>
<b>Construction in Progress</b>	<b>4,594,311</b>	<b>725,569</b>	<b>-</b>	<b>5,319,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Utility Plant</b>	<b>\$ 35,093,990</b>	<b>\$ 1,040,055</b>	<b>\$ -</b>	<b>\$ 36,134,045</b>	<b>\$ 18,624,885</b>	<b>\$ 716,186</b>	<b>\$ -</b>	<b>\$ 19,341,071</b>



City of Hannibal, Missouri  
Board of Public Works  
Schedule of Investments  
June 30, 2016



Description	Interest Rate	Maturity Date	Book Value	Market Value
<b>Electric</b>				
<b>Unrestricted Temporary Cash Investments:</b>				
United Bank	0.600%	8/2/2016	\$ 248,000	\$ 248,000
Ally Bank	1.000%	10/11/2016	248,000	248,000
American Express Bank	0.950%	10/31/2016	245,000	245,000
Capital One Bank	1.000%	10/31/2016	245,000	245,000
Sallie Mae Bank	1.050%	10/31/2016	245,000	245,000
Great Southern Bank	0.850%	3/30/2017	248,000	248,000
United Prairie Bank	1.200%	8/21/2017	248,000	248,000
Bloomfield State Bank	0.850%	10/13/2017	245,000	245,000
Synovus Bank	1.200%	11/6/2017	245,000	245,000
Dollar Bank	1.200%	11/17/2017	245,000	245,000
Mercantile Commerce Bank	1.200%	11/20/2017	248,000	248,000
Capital Bank/Miami	1.150%	3/19/2018	248,000	248,000
Compass Bank	1.150%	5/7/2018	245,000	245,000
United Bankers Bank	1.250%	8/27/2018	248,000	248,000
Denmark State Bank	1.100%	10/30/2018	248,000	248,000
Iberia Bank LA	1.450%	1/14/2019	245,000	245,000
Connectone Bank	1.600%	1/22/2019	245,000	245,000
First Financial Bank	1.400%	1/23/2019	245,000	245,000
First Capital Bank	1.400%	8/6/2019	248,000	248,000
Fannie Mae Callable	1.625%	8/8/2019	245,000	245,000
Third Federal Savings & Loan	1.500%	10/29/2019	248,000	248,000
Pyramax Bank	1.600%	4/6/2020	248,000	248,000
Flushing Bank	1.600%	5/13/2020	245,000	245,000
FNMA Callable	1.650%	5/20/2020	735,000	735,000
Capital One NA	2.250%	9/30/2020	247,000	247,000
Unity Bank	1.650%	10/30/2020	247,000	247,000
National Cooperative Bank	1.750%	10/30/2020	246,000	246,000
Comenity Capital Bank	1.900%	1/19/2021	247,000	247,000
Federal Farm Credit Bank	1.620%	2/17/2021	100,000	100,000
Fannie Mae Callable	1.700%	5/26/2021	165,000	165,000
Portage County Bank	1.400%	4/29/2021	220,000	220,000
Total Unrestricted Temporary Cash Investments			<u>\$ 7,875,000</u>	<u>\$ 7,875,000</u>
<b>Water</b>				
<b>Unrestricted Temporary Cash Investments:</b>				
Bank of New York Mellon Trust Company N.A. - Treasury Bonds			<u>\$ 673,835</u>	<u>\$ 673,835</u>



City of Hannibal, Missouri  
Board of Public Works  
Schedule of Investments  
June 30, 2016



Description	Interest Rate	Maturity Date	Book Value	Market Value
<b>Sewer</b>				
<b>Restricted Temporary Cash Investments:</b>				
<b>Debt Service Reserve:</b>				
Synchrony Bank	3.10%	10/10/2024	\$ 120,000	\$ 120,000
Goldman Sachs Bank USA	3.15%	10/8/2024	245,000	245,000
City Bank	3.15%	10/8/2024	124,000	124,000
GE Capital Bank	3.05%	10/10/2024	124,000	124,000
Total Restricted Temporary Cash Investments			<u>\$ 613,000</u>	<u>\$ 613,000</u>
Total Investments			<u>\$ 9,161,835</u>	<u>\$ 9,161,835</u>





**City of Hannibal, Missouri**  
**Board of Public Works**  
Schedule of Top Ten Utility Customers  
Year Ended June 30, 2016



**Electric**

Rank	Consumer	Annual Kilowatt Hours	Percent of Total
1	General Mills	42,556,148	16.56%
2	Spartan Light Metal Products	13,602,400	5.29%
3	Buckhorn Rubber Products	13,216,960	5.14%
4	Enduro Industries LLC	11,048,800	4.30%
5	Watlow Industries	8,607,900	3.35%
6	Board of Public Works	8,133,515	3.16%
7	Walmart	4,775,600	1.86%
8	Hannibal-LaGrange University	4,500,293	1.75%
9	Niemann Foods Inc.	4,062,840	1.58%
10	Cosmoflex Inc.	3,817,100	1.49%

**Water**

Rank	Consumer	Annual Gallons	Percent of Total
1	Ralls County Water District #1	163,854,499	19.32%
2	General Mills	146,419,910	17.26%
3	Board of Public Works	61,308,960	7.23%
4	Hannibal Regional Hospital	11,931,957	1.41%
5	Cosmoflex Inc.	11,740,830	1.38%
6	Watlow Industries	9,994,560	1.18%
7	Levering Care Center	7,528,750	0.89%
8	Hannibal-LaGrange University	6,636,409	0.78%
9	Jai Shri Ram	5,348,560	0.63%
10	Enduro Industries LLC	3,875,551	0.46%

**Sewer**

Rank	Consumer	Annual Gallons	Percent of Total
1	General Mills	n/a *	n/a
2	Hannibal Regional Hospital	11,931,957	2.01%
3	Levering Care Center	7,528,750	1.27%
4	Hannibal-LaGrange University	6,257,061	1.06%
5	Jai Shri Ram	5,348,560	0.90%
6	Enduro Industries	3,875,551	0.65%
7	SWB Hospitality LLC	3,398,900	0.57%
8	Luther Manor	3,136,180	0.53%
9	Sparatan Light Metal Products	3,085,470	0.52%
10	Beth Haven Terr West	2,767,240	0.47%

\* General Mills utilizes a significant percentage of its purchased water as an ingredient of its products and has production that results in excess Biochemical Oxygen Demand (BOD). As a result, billing for General Mills is based on a formula other than gallon of water purchased. General Mills accounts for approximately 19% of Sewer Fund revenues.

**Comparative Statement  
of Operating Factors**



**City of Hannibal, Missouri**  
**Board of Public Works**  
Electric Department  
Comparative Statement of Operating Factors  
Years Ended June 30, 2016 and 2015



	Unit	2016	2015
Population served per 2010 Census		17,757	17,757
Number of customers per 100 population		50.13	49.36
Maximum peak load operation	KW	59	58
Investment per capita	\$	1,778.75	1,735.41
Total operating revenue per \$100.00 investment	\$	90.16	101.49
Ratio of total operation expense to total operating revenue	%	99.92%	93.21%
Operating profit (loss) per \$100.00 investment	\$	0.07	6.49
Total purchased power cost per kWh	\$	0.0829	0.0785
Average price received per kWh sold	\$	0.1108	0.1126
Operating profit (loss) per kWh sold	\$	0.0008	0.0078
Average residential use	kWh	9,947	10,697
Total kWh purchased	kWh	270,534,837	272,219,681
Total kWh sold	kWh	257,026,218	259,754,601
Customers at end of year:			
Residential		7,658	7,567
Commercial		1,104	1,056
Industrial		140	141
		<u>8,902</u>	<u>8,764</u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
Water Department  
Comparative Statement of Operating Factors  
Years Ended June 30, 2016 and 2015



	<u>Unit</u>	<u>2016</u>	<u>2015</u>
Population served per 2010 Census		17,757	17,757
Number of customers per 100 population		42.43	41.80
Capacity per day	Gallon	7,500,000	7,500,000
Maximum production per day	Gallon	3,989,974	4,562,887
Average production per day	Gallon	3,252,523	3,263,680
Investment per 1,000 gallons sold	\$	43.62	35.84
Investment per capita	\$	2,083.66	1,720.09
Total Revenue per \$100.00 investment	\$	13.47	15.72
Ratio of operating expenses to operating revenue	%	85.20%	82.68%
Operating profit (loss) per \$100.00 investment	\$	1.99	2.72
Average price received per 1,000 gallons	\$	5.88	5.55
Average cost per 1,000 gallons	\$	5.01	4.92
Customers at end of year:			
Residential		6,711	6,602
Commercial		802	749
Industrial		21	70
Other public authorities		<u>1</u>	<u>1</u>
		<u>7,535</u>	<u>7,422</u>



**City of Hannibal, Missouri**  
**Board of Public Works**  
Sewer Department  
Comparative Statement of Operating Factors  
Years Ended June 30, 2016 and 2015



	<u>Unit</u>	<u>2016</u>	<u>2015</u>
Population served per 2010 Census		17,757	17,757
Number of customers per 100 population		42.64	42.09
Investment per capita	\$	2,034.92	1,976.35
Total revenue per \$100.00 investment	\$	11.87	11.59
Ratio of total operation expense to total operating revenue	%	89.78%	86.64%
Operating profit (loss) per \$100.00 investment	\$	1.21	1.55
Total treatment cost per million gallons	\$	2,509.83	2,416.25
Average price received per million gallons treated	\$	2,795.40	2,788.88
Operating profit (loss) per million gallons treated	\$	285.57	372.63
Total gallons treated	Gallons	1,534,510,000	1,458,781,000
Total gallons from water plant	Gallons	1,187,170,906	1,191,243,177
Customers at end of year:			
Residential		6,809	6,716
Commercial		746	697
Industrial		16	61
		<u>7,571</u>	<u>7,474</u>