

City of Hannibal, Missouri

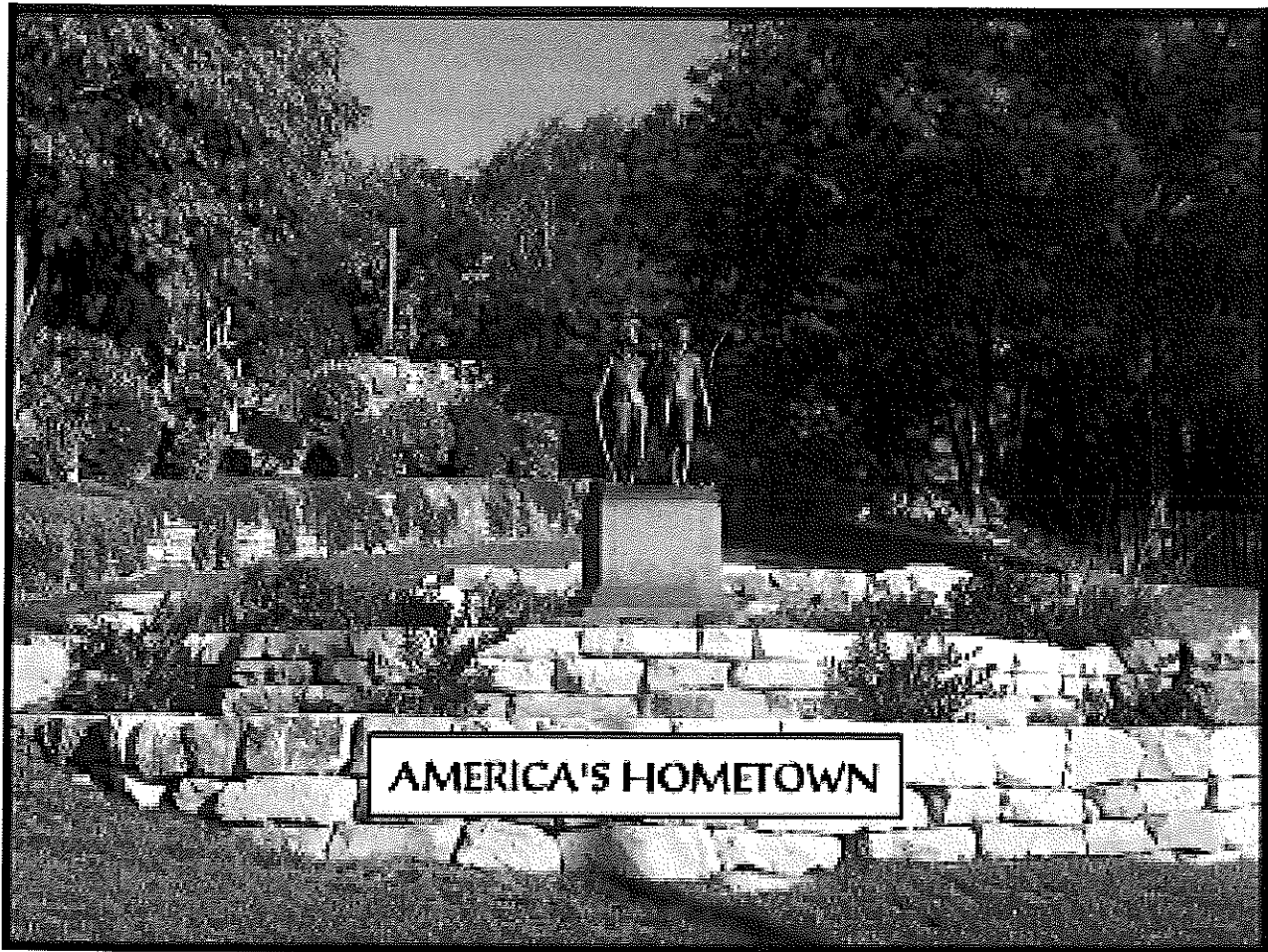
Board of Public Works

Basic Financial Statements

And Management's Discussion and Analysis

For the Fiscal Years

Ending June 30, 2010 and 2009



City of Hannibal, Missouri

Board of Public Works

Basic Financial Statements

And Management's Discussion and Analysis

For the Fiscal Years

Ending June 30, 2010 and 2009

City of Hannibal, Missouri
Board of Public Works
Year Ended June 30, 2010
Table of Contents

Financial Section:

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 7

Combined Financial Statements:

Electric, Water and Sewer Departments:

Statement of Net Assets	8
Statement of Revenues, Expenses, and Changes in Net Assets	9
Statement of Cash Flows	10 - 11
Notes to Financial Statements	12 - 22
Required Supplementary Information - Schedule of Funding Progress	23

Individual Fund Statements and Schedules:

Comparative Statement of Operating Expenses by Department	
Electric Department	24 - 27
Water Department	28 - 31
Sewer Department	32 - 35

Supplementary Schedules:

Depreciation Summary:	
1. Electric Department	36
2. Water Department	37
3. Sewer Department	38
Schedule of Investments	39

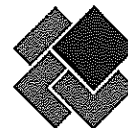
Comparative Statement of Operating Factors:

1. Electric Department	40
2. Water Department	41
3. Sewer Department	42

Financial Section

Wade Stables P.C.

CERTIFIED PUBLIC ACCOUNTANTS



100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-5998 • Phone (573) 221-5998 • Fax (573) 221-2044 • www.wadestables.com

Members:

American Institute of CPAs
PCPS Alliance for CPA Firms
Missouri Society of CPAs
Illinois CPA Society

J.D. Valbracht, CPA
M.J. Mudd, CPA
R.L. Richards, CPA
S.S. Straub, CPA

L.L. Kennett, CPA
B.J. Schmid, CPA
A.C. Failor, CPA
S.T. Brune, CPA

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 of the Board of Public Works of Hannibal, Missouri (Board of Public Works), a component unit of the City of Hannibal, Missouri as of and for the years ended June 30, 2010 and 2009, which collectively comprise the Board of Public Works' combined financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Public Works' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.


As discussed in Note 1, the financial statements present only the Electric, Water and Sewer funds and are not intended to present fairly the financial position of the City of Hannibal, Missouri, and the results of its operations and cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

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 Board of Public Works of the City of Hannibal, Missouri as of June 30, 2010 and 2009, with the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Public Works of Hannibal, Missouri's financial statements as a whole. The individual fund statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary schedules and comparative statements of operating factors have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.


Wade Stables P.C.
Certified Public Accountants

October 11, 2010
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, 2010
(Unaudited)

Introduction

The Hannibal Board of Public Works of Hannibal, Missouri (HBPW) is a municipally owned utility, which is a component unit of the City of Hannibal, Missouri (City). The HBPW is comprised of the Electric, Water and Sewer Departments, serving approximately 9,000 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, 2010. This analysis should be read in conjunction with the financial statements and notes.

Financial Highlights

There were no electric rate increases during the year.

- Water rates were increased 5% on July 1, 2009.
- Sewer rates were increased 15% on July 1, 2009.

Financial Statements

This report contains three basic financial statements and related notes. The Statements of Revenue, Expenses, and Changes in Fund Net Assets present the Board of Public Works' results of operations and changes in the nets assets for the fiscal years ended June 30, 2010 and 2009. The Statements of Net Assets present the Board of Public Works' financial condition, assets, liabilities and net assets at June 30, 2010 and 2009. The Statements of Cash Flows present the Board of Public Works' sources and uses funds for the fiscal years ended June 30, 2010 and 2009. The Notes to Financial Statements are an integral part of the financial statements and contain information on accounting principles and other matters necessary for a more complete understanding of the Board of Public Works financial picture.

CONDENSED STATEMENT OF NET ASSETS

June 30, 2010 (in thousands)

	Electric	Water	Sewer	Total
Assets				
Current	\$ 8,508	\$ 2,890	\$ 938	\$ 12,336
Net capital assets	18,545	19,437	14,080	52,062
Other	978	1,577	297	2,852
Total	<u>\$ 28,031</u>	<u>\$ 23,904</u>	<u>\$ 15,315</u>	<u>\$ 67,250</u>
Liabilities				
Current	\$ 4,320	\$ 1,017	\$ 1,473	\$ 6,810
Long-term debt	7,525	2,977	1,753	12,255
Other liabilities	-	945	11	956
Total	<u>\$ 11,845</u>	<u>\$ 4,939</u>	<u>\$ 3,237</u>	<u>\$ 20,021</u>
Net Assets	<u>\$ 16,186</u>	<u>\$ 18,965</u>	<u>\$ 12,078</u>	<u>\$ 47,229</u>

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

CHANGE IN NET ASSETS

Fiscal Year Ended June 30, 2010 and 2009 (In thousands)

	2010	2009
Operating Revenues	\$ 33,551	\$ 29,701
Less Operating Expenses	32,334	27,760
Total Operating Income	<u>\$ 1,217</u>	<u>\$ 1,941</u>
Non-Operating Revenues and Expenses		
Interest income	\$ 152	\$ 284
Interest expense	(640)	(701)
Other items (net)	357	432
Total Other Income (Expenses)	<u>\$ (131)</u>	<u>\$ 15</u>
Change in Net Assets	\$ 1,086	\$ 1,956
Net Assets at beginning of period	46,143	44,187
Net Assets at end of period	<u>\$ 47,229</u>	<u>\$ 46,143</u>

OPERATING REVENUES

Fiscal Years Ending June 30, 2010 and 2009 (in thousands)

	2010	2009
Operating Revenues		
Electric	\$ 25,767	\$ 22,457
Water	4,181	4,033
Sewer	3,603	3,211
Total	<u>\$ 33,551</u>	<u>\$ 29,701</u>

OPERATING EXPENSES

Fiscal Years Ending June 30, 2010 and 2009 (in thousands)

	2010	2009
Operating Expense		
Electric	\$ 25,108	\$ 21,013
Water	3,783	3,494
Sewer	3,443	3,253
Total	<u>\$ 32,334</u>	<u>\$ 27,760</u>

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

MAJOR INITIATIVES

Electric Department

The Electric Department operated for the year doing maintenance only work. Funds normally set aside for investments were used to pay for wholesale electricity under a new power supply contract that almost doubled the cost of wholesale power. Retail rate increases were instituted in the two previous years, but were not enough to fund both wholesale power costs and capital improvements. The Department aggressively cut costs by eliminating capital improvements, deferring non-critical maintenance, reducing the labor pool, freezing wages and eliminating benefit increases.

The current three-year purchase power contract with Ameren Energy Marketing expires the end of December 2011. Because Hannibal has no electrical generating capacity, it is susceptible to market prices for power. In late 2009 the Hannibal Board of Public Works joined with the Cities of Kahoka, Centralia, and Marceline for the purpose of hiring a consultant and receiving bids for electric power supply for the years 2012 through 2014. Harbour Consulting of Springfield, IL was hired to prepare an RFP, analyze bids, and help negotiate a final contract. All of this work has been accomplished, and the HBPW is currently negotiating with three prospective energy providers to achieve both the lowest possible price as well as the most favorable contract terms.

Water Department

The Water Department also operated for the year doing maintenance only work due to budget constraints brought on by the Electric Department. One exception was the completion of upgrades to the Water Treatment Plant Disinfection System started at the end of FY 2008-2009. The project consisted of replacing the existing gas chlorination system with a liquid chlorination system (bulk sodium hypochlorite). These upgrades were the result of recommendations by the EPA required Vulnerability Assessment of the water system and are safety related.

In June 2010 the Board awarded a contract to Bill Sullivan Excavation, Inc. in the amount of \$133,100 for construction of the Bear Creek Water Main Crossing. This crossing will provide the area of Hannibal south of Bear Creek with a redundant water supply. Although the project was bid in FY 2009-2010, funds will be dispersed in FY 2010-2011.

The mapping of HBPW water assets was continued with additional GPS locating completed for valves, water meters, curb stops and excavated mains. The intent is to have all water valves and piping in the system GPS located for mapping and for hydraulic analysis. To date, approximately 34 miles, or one third of the piping network, has been digitized.

A water valve maintenance program that began in the fall of 2008 continued as crews began using a valve exercising machine to operate valves within the system. The exercising helps to insure that the valves are operational when they are needed.

Plans were made for the Water Department and Sewer Department to jointly invest in a backhoe and dump truck so in-house staff can excavate for main replacements rather than paying a contractor. This is expected to reduce the HBPW's reliance on and cost of contract equipment and labor currently being used.

Future improvements for the water system include continued replacement of existing deteriorated and undersized water mains, replacement and upgrading of water storage tanks, and various water treatment plant upgrades to maintain consistent compliance with Federal and State regulations.

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Sewer Department:

The Sewer Department also operated for the year doing maintenance only work due to the above mentioned budget constraints and did not perform any significant upgrades to the collection system. The sewer crew continued maintenance of the existing system by cleaning, root cutting and televising sewer mains. The crews also completed repairs of deteriorated sections of main as needed.

Sewer Department personnel continued GPS locating of all sewer facilities in the City for mapping purposes. Approximately half of the 143 miles of municipal sewer mains have been mapped. This should allow for more efficient maintenance of the sewer system in the future. During the planning stages of sewer system upgrades and repairs, mapping accuracy is a benefit.

Televising of sewer mains is performed on an annual basis to locate faults, deficiencies and unauthorized inflow into the sanitary sewer system.

Future improvements for the sewer collection system include continued replacement of existing deteriorated mains, replacement and upgrading of sewer lift station equipment and various wastewater treatment plant upgrades to maintain consistent compliance with Federal and State regulations.

Administration

The four appointed Board Members who governed the operations of the Hannibal Board of Public Works during the past year were Bud Janes, President; George Danforth, Vice President; Randy Park, Secretary; and Mike Ginsberg, Board Member.

The Hannibal Board of Public Works is pleased to announce the selection of Robert W. Stevenson as the new General Manager for the utility. He succeeds Don Willis who retired the end of 2009. Mr. Stevenson previously resided in Billings, Missouri and is a registered professional engineer with over 15 years of previous utility management experience. He is a welcome addition to the staff.

Miscellaneous

On August 4, 2009, Hannibal voters approved a recycling fee of \$.70 (seventy cents) per month to be applied to each HBPW utility bill for the purpose of funding community-wide recycling operated by the Northeast Missouri Sheltered Workshop. The process of collecting the recycling fee and passing it on to the Sheltered Workshop has been delegated to the HBPW. Enforcement of the Recycling Ordinance will rest with the City.

FUTURE PLANS

During the last half of FY 2009-2010 the senior management staff performed a comprehensive review of business practices for the three utilities. Considering the levels of retained earnings invested against the debt load of all three utilities, the Board is planning a 5% rate increase in both Water and Sewer Funds for FY 2010-2011. In addition, the Board is also planning a 5% rate increase for residential customers of the Electric Fund. Small rate increases for each fund will be coupled with modest targeted capital improvements in each fund to address the most critical infrastructure needs.

The Electric Fund has only one critical need for the next year, which is the replacement of aging 15kv circuit breakers at the Indian Mounds substation. Design and quotations work is already underway.

The Water Fund has only one critical need for next year, which is the addition of a redundant water main crossing under Bear Creek to City residents living south of the creek. The previous redundant crossing was washed away in a flood many years ago.

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The Sewer Fund also has only one critical need, which is the replacement of an alarm system within the WWTP, a precursor to more fully automated controls at the plant. The existing alarm system is essentially non-functional.

The Administration Fund is planning a complete replacement of its utility billing software system, an upgrade needed since the installation of the Automated Meter Reading System in 2008.

OPERATING RESULTS

Electric, water and sewer revenue is comprised of sales to the HBPW's customers. Electric customers provided \$23,861,751 in revenue for the year, an increase of 15% over the previous year. Overall usage was down 2% from the prior year. Seventy eight percent of the revenue received, or \$18,561,477, went directly to Ameren/UE to pay for wholesale electric power.

Water revenues were up 4% from the previous year, and usage dropped 1.7%. There was a 12.2% increase in sewer revenue over last year.

The Electric Fund has reported an anomaly in its year-end statistical review that is worth noting. System losses, or the difference between wholesale purchases in kWh and retail sales in kWh, are significantly less than should be expected due to the physical configuration of the electric distribution system. Further investigation is underway to determine if this is a problem with meter accuracy on the part of the wholesale supplier or if HBPW is experiencing an internal problem with timing of retail meter reading or the associated booking of revenue.

As required by the City Charter, the Hannibal Board of Public Works 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 Hannibal Board of Public Works 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. The total amount of transfer fee paid to the City was \$1,511,129, and the total for free utility services was \$200,135 for the fiscal year ended June 30, 2010.

The Hannibal Board of Public Works remains financially sound at the conclusion of fiscal year 2009-2010. 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/>.

Combined Financial Statements

City of Hannibal, Missouri
Board of Public Works
Statements of Net Assets
June 30, 2010 and 2009

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>2010</u>	<u>2009</u>
Assets					
Current Assets:					
Cash	\$ 662,093	\$ 839,730	\$ 543,323	\$ 2,045,146	\$ 3,158,706
Investments	4,141,231	1,115,321	-	5,256,552	3,278,501
Receivables (Net, where applicable of allowances for uncollectible accounts):					
Customers	2,033,548	230,401	233,600	2,497,549	2,289,441
Other	34,632	14,602	809	50,043	66,350
Due from other funds - current	598,766	301,085	8,758	908,609	908,609
Due from cities - current	19,221	-	-	19,221	133,027
Inventory	817,129	274,649	31,956	1,123,734	1,161,891
Prepaid insurance	201,220	114,712	119,795	435,727	489,630
Total Current Assets	<u>\$ 8,507,840</u>	<u>\$ 2,890,500</u>	<u>\$ 938,241</u>	<u>\$ 12,336,581</u>	<u>\$ 11,486,155</u>
Restricted Assets:					
Investments - Debt Service	-	-	275,753	275,753	748,308
Property, Plant and Equipment (Net of accumulated depreciation):	18,544,505	19,436,522	14,079,615	52,060,642	52,811,213
Other Assets:					
Other investment - land	505,055	-	-	505,055	505,055
Water rights	-	1,500,000	-	1,500,000	1,500,000
Prairie State Energy	103,000	-	-	103,000	103,000
Due from cities - long-term	197,457	-	-	197,457	216,658
Deferred issuance costs, net	172,686	77,070	22,125	271,881	309,386
Total Assets	<u><u>\$ 28,030,543</u></u>	<u><u>\$ 23,904,092</u></u>	<u><u>\$ 15,315,734</u></u>	<u><u>\$ 67,250,369</u></u>	<u><u>\$ 67,679,775</u></u>
Liabilities					
Current Liabilities:					
Accounts payable	\$ 2,170,427	\$ 140,913	\$ 180,090	\$ 2,491,430	\$ 2,259,912
Customer deposits	335,236	84,814	83,680	503,730	453,960
Other accrued expenses	62,615	17,424	15,948	95,987	98,752
Due to other funds - current	301,085	8,758	598,766	908,609	908,609
Accrued leave	442,232	275,135	213,236	930,603	916,871
Current portion of long-term debt	1,008,654	422,737	381,797	1,813,188	1,788,911
Current portion due to PWSD#1	-	67,500	-	67,500	67,500
Total Current Liabilities	<u>\$ 4,320,249</u>	<u>\$ 1,017,281</u>	<u>\$ 1,473,517</u>	<u>\$ 6,811,047</u>	<u>\$ 6,494,515</u>
Current Liabilities payable from Restricted Assets:					
Accrued interest	\$ -	\$ -	\$ 10,531	\$ 10,531	\$ 12,637
Due to PWSD #1	-	945,000	-	945,000	1,012,500
Long-term debt	7,524,498	2,977,219	1,753,239	12,254,956	14,016,844
Total Liabilities	<u><u>\$ 11,844,747</u></u>	<u><u>\$ 4,939,500</u></u>	<u><u>\$ 3,237,287</u></u>	<u><u>\$ 20,021,534</u></u>	<u><u>\$ 21,536,496</u></u>
Net Assets					
Invested in capital assets, net of related long-term debt	\$ 10,011,353	\$ 16,036,566	\$ 11,944,579	\$ 37,992,498	\$ 37,005,458
Restricted for debt service	-	-	275,753	275,753	748,308
Unrestricted	6,174,443	2,928,026	(141,885)	8,960,584	8,389,513
Total Net Assets	<u><u>\$ 16,185,796</u></u>	<u><u>\$ 18,964,592</u></u>	<u><u>\$ 12,078,447</u></u>	<u><u>\$ 47,228,835</u></u>	<u><u>\$ 46,143,279</u></u>
Total Liabilities and Net Assets	<u><u>\$ 28,030,543</u></u>	<u><u>\$ 23,904,092</u></u>	<u><u>\$ 15,315,734</u></u>	<u><u>\$ 67,250,369</u></u>	<u><u>\$ 67,679,775</u></u>

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

City of Hannibal, Missouri
Board of Public Works
Statements of Revenues, Expenses and
Changes in Fund Net Assets
Years Ended June 30, 2010 and 2009

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>2010</u>	<u>2009</u>
Operating Revenues:					
Charges for services					
Residential	\$ 8,400,183	\$ 1,973,082	\$ 1,984,171	\$ 12,357,436	\$ 10,687,334
Commercial	3,123,833	680,145	705,393	4,509,371	4,066,594
Industrial	12,174,682	718,615	706,784	13,600,081	12,127,907
Sales (including interest)	-	514,875	-	514,875	506,127
Transfer fees collected	1,147,903	193,248	169,978	1,511,129	1,335,278
Sales tax collected	757,029	63,157	-	820,186	738,696
Penalties	163,053	37,476	36,963	237,492	239,345
Total Operating Revenues	<u>\$ 25,766,683</u>	<u>\$ 4,180,598</u>	<u>\$ 3,603,289</u>	<u>\$ 33,550,570</u>	<u>\$ 29,701,281</u>
Operating Expenses:					
Administrative	\$ 394,694	\$ 189,655	\$ 191,831	\$ 776,180	\$ 699,647
Customer accounts	2,033,724	357,747	255,503	2,646,974	2,398,872
Depreciation	891,631	546,082	748,908	2,186,621	2,162,699
Distribution	1,292,366	643,654	-	1,936,020	1,995,215
Fringe benefits	758,257	506,281	511,718	1,776,256	1,840,826
Maintenance - general plant	272,058	68,509	90,739	431,306	391,790
Meter reading	68,146	35,103	33,774	137,023	135,766
Other administrative expenses	316,113	56,382	42,167	414,662	221,804
Purchased power	18,561,477	-	-	18,561,477	14,733,976
Water pumping	-	193,080	-	193,080	167,525
SCADA/Information systems	241,064	121,311	121,730	484,105	382,118
Sewer collection	-	-	477,368	477,368	350,245
Sewer treatment	-	-	840,642	840,642	850,568
Superintendent & supervisors	279,144	128,472	128,472	536,088	529,689
Water treatment	-	936,428	-	936,428	899,844
Total Operating Expenses	<u>\$ 25,108,674</u>	<u>\$ 3,782,704</u>	<u>\$ 3,442,852</u>	<u>\$ 32,334,230</u>	<u>\$ 27,760,584</u>
Income (Loss) from Operations	<u>\$ 658,009</u>	<u>\$ 397,894</u>	<u>\$ 160,437</u>	<u>\$ 1,216,340</u>	<u>\$ 1,940,697</u>
Non-Operating Revenue (Expense)					
Interest income	\$ 144,669	\$ 6,969	\$ -	\$ 151,638	\$ 284,081
Rental income	61,678	-	-	61,678	6,000
Miscellaneous	15,251	32,310	12,008	59,569	51,944
Disaster relief income	3,336	-	-	3,336	383,987
Flood wall reimbursement	233,090	-	-	233,090	-
Interest expense/fees	(396,783)	(171,244)	(72,068)	(640,095)	(701,394)
Gain (Loss) on capital assets	-	-	-	-	(9,279)
Total Non-Operating Revenue (Expense)	<u>\$ 61,241</u>	<u>\$ (131,965)</u>	<u>\$ (60,060)</u>	<u>\$ (130,784)</u>	<u>\$ 15,339</u>
Interfund Transfers					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
Total Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ 719,250</u>	<u>\$ 265,929</u>	<u>\$ 100,377</u>	<u>\$ 1,085,556</u>	<u>\$ 1,956,036</u>
Net Assets, Beginning of Year	<u>15,466,546</u>	<u>18,698,663</u>	<u>11,978,070</u>	<u>46,143,279</u>	<u>44,187,243</u>
Net Assets, End of Year	<u>\$ 16,185,796</u>	<u>\$ 18,964,592</u>	<u>\$ 12,078,447</u>	<u>\$ 47,228,835</u>	<u>\$ 46,143,279</u>

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

City of Hannibal, Missouri
Board of Public Works
Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	Electric Fund	Water Fund	Sewer Fund	2010	2009
Cash Flows from Operating Activities:					
Receipts from customers	\$ 25,572,834	\$ 4,206,601	\$ 3,612,797	\$ 33,392,232	\$ 29,406,399
Payments to suppliers and employees	(24,023,125)	(3,205,643)	(2,567,989)	(29,796,757)	(25,428,537)
Net Cash Flows from Operating Activities	\$ 1,549,709	\$ 1,000,958	\$ 1,044,808	\$ 3,595,475	\$ 3,977,862
Cash Flows from Investing Activities:					
Interest revenue	\$ 144,669	\$ 6,969	\$ -	\$ 151,638	\$ 284,081
Purchase / sale of securities (net)	(1,976,206)	476,429	(5,719)	(1,505,496)	7,144,979
Additions to capital assets	(781,865)	(395,214)	(258,971)	(1,436,050)	(7,967,357)
Other revenue	313,355	32,310	12,008	357,673	441,931
Gain (loss) on capital assets	-	-	-	-	(9,279)
Net Cash Flows Provided By (Used In) Investing Activities	\$ (2,300,047)	\$ 120,494	\$ (252,682)	\$ (2,432,235)	\$ (105,645)
Cash Flows from Capital Financing Activities:					
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from cities	133,007	-	-	133,007	(96,739)
Debt proceeds / (payments)	(967,595)	(473,113)	(364,403)	(1,805,111)	(1,729,377)
Interest expense paid	(396,783)	(171,244)	(74,174)	(642,201)	(703,241)
Deferred issuance costs	21,062	10,912	5,531	37,505	37,506
Net Cash Provided By (Used In) Capital Financing Activities	\$ (1,210,309)	\$ (633,445)	\$ (433,046)	\$ (2,276,800)	\$ (2,491,851)
Net Increase (Decrease) in Cash	\$ (1,960,647)	\$ 488,007	\$ 359,080	\$ (1,113,560)	\$ 1,380,366
Cash at Beginning of Year	2,622,740	351,723	184,243	3,158,706	1,778,340
Cash at End of Year	\$ 662,093	\$ 839,730	\$ 543,323	\$ 2,045,146	\$ 3,158,706

City of Hannibal, Missouri
Board of Public Works
 Statements of Cash Flows
 Years Ended June 30, 2010 and 2009

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2010</u>	<u>2009</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 658,009	\$ 397,894	\$ 160,437	\$ 1,216,340	\$ 1,940,697
Adjustments to reconcile net income to net cash provided by:					
Depreciation	891,631	546,082	748,908	2,186,621	2,162,699
(Gain) Loss on capital assets	-	-	-	-	9,279
Changes in operating assets and liabilities					
(Increase) decrease in:					
Accounts receivable - customers	(228,567)	18,916	1,543	(208,108)	(343,941)
Accounts receivable - other	16,405	(98)	-	16,307	37,217
Inventories	(9,112)	30,801	16,468	38,157	(174,149)
Prepaid expenses	36,403	16,152	1,348	53,903	(15,548)
Increase (decrease) in:					
Accounts payable	167,319	(37,563)	101,762	231,518	324,394
Accrued expenses	(1,212)	(326)	(1,227)	(2,765)	(2,515)
Customer deposits	34,718	7,087	7,965	49,770	49,059
Accrued leave	(15,885)	22,013	7,604	13,732	(9,330)
Net Cash Provided by (used in) Operating Activities	<u>\$ 1,549,709</u>	<u>\$ 1,000,958</u>	<u>\$ 1,044,808</u>	<u>\$ 3,595,475</u>	<u>\$ 3,977,862</u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

1. Summary of Significant Accounting Policies

Reporting Entity:

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

For financial reporting purposes, the Board 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 Board consists of three enterprise funds: electric utility, water utility and sewer utility. The Board 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) including GASB Statement No. 14, *The Financial Reporting Entity*, which defines the Electric, Water and Sewer funds as enterprise funds of the City of Hannibal, Missouri (the City). Accordingly, the financial statements of the Board are included in the Financial Report of the City. The Board has elected to apply all Financial Accounting Standard Board (FASB) Statements and Interpretations except for those that conflict with GASB pronouncements in accordance with GASB Statement No. 201, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Propriety Fund Accounting*.

New Accounting Pronouncements:

Effective July 1, 2002, the Board adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

Adoption of GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets or balance sheet, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt that is attributable to those assets.
- Restricted – consists of assets that have constraints placed upon their use through external constraints imposed either by creditors (such as through debt covenants) or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets. When an obligation is incurred for which both restricted and unrestricted net assets are available, it is the Boards' policy to first apply restricted resources in satisfying that obligation followed by the utilization of unrestricted resources.
- Unrestricted – consists of net assets that do not meet the definition of restricted or invested capital assets, net of related debt.

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

1. Summary of Significant Accounting Policies (Continued)

The adoption of GASB Statement No. 34 also requires the following changes to the financial statements: the balance sheet must be classified into current and non-current assets and liabilities; the statement of revenues, expenses and changes in net assets must be classified into operating and non-operating revenues and expenses; the direct method of preparing the statement of cash flows must be followed; additional note disclosures must be included and management's discussion and analysis must accompany the financial statements.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business type activities and enterprise funds. The Board has elected to not follow subsequent private sector guidance.

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 2010 and 2009, 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 that 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.

Pensions:

Employees are covered by the Missouri Local Government Employees Retirement Systems (LAGERS).

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 Board has capitalized interest on construction projects financed with the revenue bonds, commercial paper and renewal and replacement funds in accordance with SFAS No. 34 and SGAS No. 62. No interest was capitalized in 2010 or 2009.

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

1. Summary of Significant Accounting Policies (Concluded)

Budgeting:

The City Charter requires the Board 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 Board considers all certificates of deposit and restricted investments not 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.

2. Capital Assets

Activity for the year ended June 30, 2010 and 2009 is as follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Electric				
Cost (basis)	\$ 22,476,796	\$ 9,196,577	\$ -	\$ 31,673,373
Const. in progress	8,533,208	746,214	(9,160,926)	118,496
Depreciation	(12,355,733)	(891,631)	-	(13,247,364)
Total Electric	<u>\$ 18,654,271</u>	<u>\$ 9,051,160</u>	<u>\$ (9,160,926)</u>	<u>\$ 18,544,505</u>
Water				
Cost (basis)	\$ 26,493,244	\$ 1,106,273	\$ -	\$ 27,599,517
Const. in progress	725,280	359,381	(1,070,440)	14,221
Depreciation	(7,631,134)	(546,082)	-	(8,177,216)
Total Water	<u>\$ 19,587,390</u>	<u>\$ 919,572</u>	<u>\$ (1,070,440)</u>	<u>\$ 19,436,522</u>
Sewer				
Cost (basis)	\$ 29,566,647	\$ 178,383	\$ -	\$ 29,745,030
Const. in progress	40,493	197,491	(116,903)	121,081
Depreciation	(15,037,588)	(748,908)	-	(15,786,496)
Total Sewer	<u>\$ 14,569,552</u>	<u>\$ (373,034)</u>	<u>\$ (116,903)</u>	<u>\$ 14,079,615</u>
Total Enterprise Funds	<u>\$ 52,811,213</u>	<u>\$ 9,597,698</u>	<u>\$ (10,348,269)</u>	<u>\$ 52,060,642</u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

3. Investments

The Board maintains cash and investment securities. The Hannibal Board of Public Works permits investments only in direct obligations of the U.S. Governments such as bills, notes or bonds, and any other obligations guaranteed as to payment of principal and interest by the U.S governments 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 Board agents in the Board's name.

The following represents the Board's total cash and investments at June 30, 2010:

Checking/money market accounts	\$ 2,045,146
Certificates of deposit	4,141,231
Other short term investments	1,115,321
Debt service accounts	275,753
Total	<u>\$ 7,577,451</u>

These cash and investments are included in the following balance sheet accounts at June 30, 2010:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash	\$ 662,093	\$ 839,730	\$ 543,323	\$ 2,045,146
Short term investments	4,141,231	1,115,321	-	5,256,552
Debt service accounts	-	-	275,753	275,753
Total	<u>\$ 4,803,324</u>	<u>\$ 1,955,051</u>	<u>\$ 819,076</u>	<u>\$ 7,577,451</u>

4. Long-Term Obligations

For the Year Ended June 30, 2010, the changes in long-term debt are as follows:

	<u>Balance July 1, 2009</u>	<u>(Retirements) Additions</u>	<u>Balance June 30, 2010</u>
Lease Purchase Agreement	\$ 790,000	\$ (93,000)	\$ 697,000
Lease Purchase Agreement	3,455,000	(275,000)	3,180,000
Lease Purchase Agreement	6,339,000	(608,000)	5,731,000
Revenue Bonds	1,592,000	(232,000)	1,360,000
Escrow Trust Agreement	1,080,000	(67,500)	1,012,500
Lease Purchase Agreement - Meters	3,629,755	(529,611)	3,100,144
Total	<u>\$ 16,885,755</u>	<u>\$ (1,805,111)</u>	<u>\$ 15,080,644</u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

4. Long-Term Obligations (Continued)

The long-term obligations consist of the following issues:

\$1,000,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities	\$ 697,000
<u>\$4,660,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities</u>	3,180,000
\$6,971,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities - Series 2006-A-161 E	5,731,000
\$3,910,000 Sewerage System Revenue Bonds, Series 1993, due 2015	1,360,000
\$1,500,000 Escrow Trust Agreement - Due to PWSD#1	1,012,500
\$5,474,839 Lease Purchase Agreement - Commerce Bank due 8/1/2015	3,100,144
Total	<u>\$ 15,080,644</u>
Less: Current portion due to PWSD#1	(67,500)
Less: Current portion long-term debt	(1,813,188)
Net Long-Term Debt	<u><u>\$ 13,199,956</u></u>

Lease Purchase Agreement – Missouri Association of Municipal Utilities

The Board has entered into a lease purchase agreement with the Missouri Association of Municipal Utilities through their leasing financing program. Debt was incurred to finance improvements to the water treatment plant.

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

Fiscal Year June 30,	
2011	\$ 119,998
2112	116,470
2013	122,804
2014	120,844
2015	119,866
2016	124,594
2017	60,643
	<u>\$ 785,219</u>
Less Amounts Representing Interest	(88,219)
	<u><u>\$ 697,000</u></u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

4. Long-Term Obligations (Continued)

Lease Purchase Agreement – Missouri Association of Municipal Utilities

The Board 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 Sawyers Creek sewer line.

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

<u>Fiscal Year</u> <u>June 30,</u>	
2011	\$ 438,106
2012	439,187
2013	439,126
2014	438,613
2015	437,184
2016	435,283
2017	437,367
2018	438,549
2019	<u>438,737</u>
	\$ 3,942,152
Less Amounts Representing Interest	(762,152)
	<u>\$ 3,180,000</u>

Lease Purchase Agreement – Missouri Association of Municipal Utilities

On May 15, 2008, the Board has 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 Hannibal and improvements to the disinfection system at 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.

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

<u>Fiscal Year</u> <u>June 30,</u>	
2011	\$ 808,906
2012	812,008
2013	816,309
2014	820,661
2015	823,317
2016	829,982
2017	833,673
2018	<u>770,364</u>
	\$ 6,515,220
Less Amounts Representing Interest	(784,220)
	<u>\$ 5,731,000</u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

4. Long-Term Obligations (Continued)

Lease Purchase Agreement – Commerce Bank

On November 19, 2004, the Board entered into a lease/purchase agreement with Commerce Bank in the amount of \$5,474,839. This lease is for new meters to replace the existing electric and water meters for its customers. The lease calls for monthly payments of \$55,430 that began on September 1, 2005 with a final payment due August 1, 2015 at an interest rate of 4.00%.

This lease includes both water and electric meters, therefore, the accrued interest and related liability is divided between all three proprietary funds: 50% electric, 25% water, and 25% sewer.

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

Fiscal Year		
June 30,		
2011	\$	665,161
2012		665,161
2013		665,161
2014		665,161
2015		665,161
2016		110,859
	\$	3,436,664
Less Amounts		
Representing Interest		(336,520)
	\$	3,100,144

Escrow Trust Agreement

On October 20, 2004, the Board entered into a Sale Contract with the Public Water Supply District No. 1 of Ralls County, pursuant to which the Board 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 Board 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 Board intends to provide for the payment of the Purchase Price through the appropriation of funds sufficient to make the payments. The Board 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 Board has determined no impairment of this asset as of June 30, 2010.

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

4. Long-Term Obligations (Continued)

The payment schedule is as follows:

<u>Fiscal Year</u> <u>June 30</u>	
2011	\$ 67,500
2012	67,500
2013	67,500
2014	67,500
2015	67,500
2016	67,500
2017	67,500
2018	67,500
2019	67,500
2020	67,500
2021	67,500
2022	67,500
2023	67,500
2024	67,500
2025	67,500
	<u>\$ 1,012,500</u>

Revenue Bonds

The Board has issued \$3,910,000 of Sewerage System Revenue Bonds. These bonds are dated August 1, 1993. The proceeds of the bond issue were used to extend and improve the existing wastewater treatment facility. The interest due on these bonds will be subsidized by interest earnings on a reserve fund held by the bond issue's trustee. These funds are not considered to be Board funds. As the Board is reimbursed for project expenditures from the construction funds held by the trustee, the Department of Natural Resources will deposit an amount equal to approximately 70% of the reimbursement into the reserve fund. The maximum amount of funds that will be advanced to the reserve fund will be \$2,737,000. As bonds are paid off, 70% of the amount of bonds paid off will be repaid to the Department of Natural Resources out of the reserve fund. The balance of the reserve fund at June 30, 2010 was \$976,528. Monthly payments to UMB Bank net of interest credits earned are made by the City and are recomputed every six months by the trustee.

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

4. Long-Term Obligations (Concluded)

Revenue Bond debt service requirements to maturity, including \$191,268 of interest, are as follows:

Fiscal Yr Ending June 30,	Principal	Interest	Total
2011	\$ 244,000	\$ 66,852	\$ 310,852
2012	258,000	53,298	311,298
2013	271,000	39,015	310,015
2014	286,000	23,976	309,976
2015	301,000	8,127	309,127
Total	<u>\$ 1,360,000</u>	<u>\$ 191,268</u>	<u>\$ 1,551,268</u>

Costs associated with original issuance as well as reissuance costs are being amortized over the remaining term of bonds as follows:

	Balance July 1, 2009	Issuance Costs	Amortization Expense	Balance June 30, 2010
1994 Bond Issuance - Sewer	\$ 27,656	\$ -	\$ 5,531	\$ 22,125
1994 Bond Issuance - Water	12,727	-	2,545	10,182
2003 Issuance - Electric	60,636	-	6,064	54,572
2003 Issuance - Water	38,767	-	3,877	34,890
2006 Issuance - Water	18,336	-	2,445	15,891
2008 Issuance - Electric	133,112	-	14,998	118,114
2008 Issuance - Water	18,152	-	2,045	16,107
Total	<u>\$ 309,386</u>	<u>\$ -</u>	<u>\$ 37,505</u>	<u>\$ 271,881</u>

5. Interfund Transfers

There were no interfund transfers during the year.

6. Defined Benefit Pension Plan

Plan Description

The Board participated in Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo.70.600 - 70.755. As such, it is the system's 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 it is tax-exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

6. Defined Benefit Pension Plan (Concluded)

Funding Status

The Board's full-time employees do not contribute to the Plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 15.3% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the Board are established by State Statute.

Annual Pension Cost

For 2009, the Board's annual pension cost of \$488,786 was equal to the required and actual contributions. The annual required contribution was determined as part of the February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation (c) additional projected salary increase ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit and (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero years for women and (e) postretirement mortality based on the 1971 Group Annuity Mortality table projected to 2000, set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2008 was fifteen years.

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 528,660	100.0%	\$ -
2009	518,746	100.0	-
2010	488,786	100.0	-

7. Obligations to Purchase Electric Power and Energy

The Board has an agreement with ^{AEM}AmerenUE to purchase electric power and energy. The rate per kilowatt hour is fixed through 2011 under a firm contract. The agreement is for a fixed cost of \$65/MWh. The Board also pays a monthly facility charge for the use of the AmerenUE substation on Highway 79.

8. Other Investments

Other investments consist of the following:

	<u>Electric</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
Power purchase agreement with Prairie State	103,000
	<u>\$ 608,055</u>

City of Hannibal, Missouri
Board of Public Works
Notes to Financial Statements
June 30, 2010

9. Accrued Leave

Vacation hours earned range from 0-200 hours and occur at anniversary date. All prior vacation is lost at 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	\$ 69,283	\$ 38,675	\$ 27,546
Sick	372,949	236,460	185,690
Personal	-	-	-
	<u>\$ 442,232</u>	<u>\$ 275,135</u>	<u>\$ 213,236</u>

10. Due from Cities

During the year ended June 30, 2005, the City borrowed \$310,000 from the Board of Public Works 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 Board retains the option to adjust the interest rate, not to exceed two percentage points above the Board's current investment portfolio rate of return. A summary of the repayment schedule follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 19,221	\$ 8,198	\$ 27,419
2012	19,984	7,435	27,419
2013	20,777	6,642	27,419
2014	21,603	5,816	27,419
2015	22,460	4,959	27,419
2016 - 2020	112,633	10,752	123,385
Total	<u>\$ 216,678</u>	<u>\$ 43,802</u>	<u>\$ 260,480</u>

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2010

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	a/b Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	\$ 6,763,863	\$ 9,050,673	\$ 2,287,010	75%	\$ 3,115,653	73%
2/28/2009	\$ 6,134,583	\$ 10,009,439	\$ 3,874,856	61%	\$ 3,502,490	111%
2/28/2010	\$ 6,214,140	\$ 9,535,233	\$ 3,321,093	65%	\$ 3,203,050	104%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**Individual Fund Statements
and Schedules**

City of Hannibal, Missouri
Board of Public Works
Electric Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Purchased Power:		
Cost of power purchased	\$ 18,561,477	\$ 14,733,976
Superintendent and Supervisors		
Administrative salaries	\$ 112,552	\$ 104,706
Customer accounts supervisor labor	25,584	25,112
Operating supervisor engineering labor	70,504	76,015
Maintenance supervisor engineering labor	70,504	76,015
	\$ 279,144	\$ 281,848
Administrative		
Salaries	\$ 71,982	\$ 70,223
Contracted outside services	4,159	1,134
Drug testing	900	705
Outside service fee - audit	8,192	7,802
Outside service fee - legal	7,974	3,372
Board members salaries	4,800	4,800
Structures and improvements	227	245
Training/meetings/travel	5,038	2,473
New hire expense	4,151	-
Postage/office supplies	6,206	5,906
Utilities/phone	12,273	11,895
Small equipment	-	201
Prepaid insurance	227,135	198,784
Economic development	22,250	22,750
Miscellaneous - load promotion	1,852	3,986
Energy conservation	153	2,488
Advertising	16,347	15,404
Safety incentives	574	574
Electronic filing fee	44	44
Railroad permits	22	22
Employee physicals and vaccines	415	732
	\$ 394,694	\$ 353,540
SCADA/Information Systems		
Salaries-info systems	\$ 30,292	\$ 30,328
Outside services	6,840	1,895
Training/meetings/travel	43	932
Office supplies and expense	30	116
Phone/airtime charges	248	193
Info systems hardware	6,309	767
Info systems software	19,269	3,604
Info systems maintenance	40,483	32,207
Salaries-SCADA	130,316	113,658
Safety programs	3,871	4,604
Office supplies and expense	1,321	322
Small office equipment and furniture	129	167
Training/meetings/travel	298	1,013

City of Hannibal, Missouri
Board of Public Works
Electric Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
SCADA/Information Systems (Concluded)		
Safety equipment/meals	679	325
Small equipment	150	-
Transportation	786	642
	<u>\$ 241,064</u>	<u>\$ 190,773</u>
Customer Accounts		
Customer accounts labor	\$ 90,670	\$ 87,562
Janitorial services	5,480	3,905
Contracted services	3,439	1,077
Training/meetings/travel	1,544	1,845
Postage/print/office supply	31,060	32,132
Utilities/telephone	-	67
Small equipment	-	90
Credit card processing fees	-	(390)
Miscellaneous	12	148
Advertising	-	13
Cash short (over)	18	(166)
MO sales tax payable	738,280	669,181
Collectors office expense	15,682	16,398
In lieu of franchise tax	1,147,539	1,008,355
	<u>\$ 2,033,724</u>	<u>\$ 1,820,217</u>
Meter Reading		
Meter reading labor	\$ 67,521	\$ 67,301
Uniform services	625	412
	<u>\$ 68,146</u>	<u>\$ 67,713</u>
Electrical Distribution		
Substation equipment	\$ 652	\$ 169
Underground line labor	881	11,577
Street light/signal labor	9,148	14,592
Meter labor	9,349	6,233
Overhead line labor	486,460	432,633
Parks and recreation labor	1,361	3,073
General plant labor	21,544	68,413
FEMA relief labor	-	175,517
Uniforms	9,599	9,607
Clothing and equipment	21,314	-
Building maintenance	5,627	7,108
Transformer/PCB expense	431	16,632
New construction	300	27,357
Preliminary survey/engineering	20,699	56,292
Easements	-	262
Substations	6,318	49,415
Transmission lines	2,741	31,687
Training/meetings/travel	7,172	8,761
Safety equipment/meals	10,535	10,758

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

City of Hannibal, Missouri

Board of Public Works

Electric Department

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Electrical Distribution (Concluded)		
Office supplies/postage	1,814	1,020
Dig rights	308	314
Telephone	3,737	3,398
Equipment maintenance	3,516	3,099
Tools, shop, garage equipment	12,609	14,490
Communication equipment	519	738
Communication equipment repair	42	139
Transportation equipment and vehicle repairs	66,890	61,204
Materials and supplies	154,154	151,198
CDL license fees	45	100
Maintenance mobile radios	1,931	1,304
AmerenUE - meter info	160	5,630
Prairie State Power admin fees	19,844	13,237
MISO Transmission - Oatt Cha	144,948	52,458
Maintenance overhead lines - tree trimming	267,718	222,657
	\$ 1,292,366	\$ 1,461,072
Maintenance General Plant		
Maintenance substation labor	\$ 56,990	\$ 53,052
Maintenance overhead line labor	7,215	1,718
Maintenance meter labor	40,568	41,792
Street light signal labor	3,326	1,064
City projects labor	2,048	5,271
General plant labor	109,006	132,037
Uniforms	4,122	5,239
Safety equipment	1,054	-
Telephone expense	104	13
Office supplies	14	104
Repairs	1,694	599
Miscellaneous equipment	2,271	374
Structures and improvements	21,094	70
Miscellaneous equipment maintenance	3,736	664
Miscellaneous building expenses	12,322	10,466
Materials and supplies	6,224	8,278
Rentals	270	270
	\$ 272,058	\$ 261,011
Fringe Benefits		
Social security expense	\$ 108,000	\$ 126,186
Medical and dental benefits	420,804	422,794
Lager benefits	213,762	243,305
Life insurance benefits	1,306	1,214
Wellness benefit	10,849	9,824
Clothing allowance	2,850	3,258
Unemployment benefit	686	-
	\$ 758,257	\$ 806,581

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

City of Hannibal, Missouri
Board of Public Works
Electric Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Other Administrative Costs		
Uncollectible accounts expense	\$ 314,300	\$ 105,908
Vacation and personal and sick leave expense	1,813	32,163
	<u>\$ 316,113</u>	<u>\$ 138,071</u>
Depreciation	<u>\$ 891,631</u>	<u>\$ 898,314</u>
Total Operating Expenses	<u>\$ 25,108,674</u>	<u>\$ 21,013,116</u>

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

City of Hannibal, Missouri

Board of Public Works

Water Department

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Superintendent and Supervisors		
Administrative salaries	\$ 56,276	\$ 51,242
Customer accounts supervisor labor	12,792	12,556
Operating supervisor engineering labor	31,297	32,199
Maintenance supervisor engineering labor	28,107	27,923
	<u>\$ 128,472</u>	<u>\$ 123,920</u>
Administrative		
Salaries	\$ 35,991	\$ 35,112
Outside service fees	450	353
Office supplies and expense	2,032	567
Outside service fees - audit	4,096	3,901
Outside service fees - legal	3,323	1,686
Board member salaries	2,400	2,400
Structures and improvements	114	122
Training/meetings/travel	2,464	1,164
New hire expense	2,076	-
Office supplies and expense	3,036	2,939
Telephone	6,136	5,948
Office furniture and equipment	-	100
Prepaid insurance	110,123	96,909
Economic development	11,000	11,500
Miscellaneous - load promotion	250	(785)
Advertising	5,581	5,156
Dues	-	(2,709)
Safety incentives	287	287
Railroad permits	81	81
Employee physicals and vaccines	215	509
	<u>\$ 189,655</u>	<u>\$ 165,240</u>
SCADA/Information Systems		
Salaries- Info. systems	\$ 15,146	\$ 15,164
Contract outside services	3,420	948
Training/meetings/travel	21	540
Office supplies	15	58
Phone/airtime charges	124	97
Hardware	4,146	536
Software	9,635	1,802
Maintenance	20,030	16,105
Salaries - SCADA	65,159	56,829
Outside service fees	1,936	2,499
Office supplies and expense	658	111
Office equipment & furniture	64	83
Training/meetings/travel	149	34
Safety equipment/meals	340	163
Office furniture and equipment	8	-
Office supplies and expense	67	-
Transportation	393	321
	<u>\$ 121,311</u>	<u>\$ 95,290</u>

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

City of Hannibal, Missouri
Board of Public Works
Water Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Customer Accounts		
Customer accounts wages	\$ 45,336	\$ 43,781
Janitorial services	2,740	1,953
Customer accounts and records - contract services	1,719	538
Training/meeting/travel	772	922
Customer accounts and records - postage	15,432	16,132
Telephone	-	33
Office furniture and equipment	-	45
Advertising	-	7
Miscellaneous	6	101
MO sales tax payable	70,139	66,179
Primacy fee	20,180	20,354
Collectors office expense	7,841	8,196
In lieu of franchise tax	193,582	187,162
	<u>\$ 357,747</u>	<u>\$ 345,403</u>
Meter Reading		
Meter reading labor	\$ 33,774	\$ 33,651
Uniform services	1,329	751
	<u>\$ 35,103</u>	<u>\$ 34,402</u>
Maintenance General Plant		
Maintenance pumping labor	\$ 16,045	\$ 17,475
Maintenance equipment labor	33,857	25,799
General plant expenses - uniforms	2,061	2,619
General plant expenses - repairs	791	300
Office supplies	7	7
Miscellaneous equipment	1,135	133
General plant expenses - buildings	6,149	5,050
Structures and improvements	3,362	35
Miscellaneous equipment maintenance	1,870	460
Telephone	52	52
Materials and supplies	3,045	4,176
General plant expenses - rentals	135	135
	<u>\$ 68,509</u>	<u>\$ 56,241</u>
Water Distribution		
Maintenance water distribution labor	\$ 189,438	\$ 206,421
Maintenance pumping labor	1,417	3,629
Purification plant labor	963	1,161
General plant labor	14,062	10,409
Services labor	5,375	2,399
Metering labor	14,505	20,095
Buildings and ground maintenance	1,104	2,567
Maintenance storage tanks	11,977	25,029
Maintenance distribution mains	170,849	127,986
Maintenance services	28,234	18,357
Uniform services	1,821	2,505

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

City of Hannibal, Missouri

Board of Public Works

Water Department

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Water Distribution (Concluded)		
Meter testing	557	3,450
New construction	7,472	4,428
Engineering/consulting	-	14,981
Training/meeting/travel	1,342	1,442
Safety equipment/meals	5,120	4,969
Postage/office supplies	370	310
Dig rights	718	987
Equipment maintenance	2,672	1,878
Communication equipment	259	-
Miscellaneous equipment	17,368	8,077
Transportation expense	25,575	28,784
Materials and supplies	136,999	39,859
Small tools and equipment	-	12
Memberships and dues	3,759	3,172
CDL license Fees	-	115
Cell phones and mobiles	1,698	1,121
	\$ 643,654	\$ 534,143
Water Treatment		
Purification supervision	\$ 48,975	\$ 50,618
Purification operating labor supervision	229,266	228,094
Uniform services/testing	4,689	5,639
Equipment maintenance	15,602	17,034
Training/meeting/travel	2,895	1,856
Safety equipment/meals	1,747	1,671
Office supplies	823	346
Utilities/phone	6,135	8,981
Equipment maintenance	5,053	2,783
Small equipment purchases	6,027	1,494
Structure maintenance	1,346	1,784
Copper sulfate	3,165	5,792
Chlorine	20,798	8,074
Lime	38,026	46,892
Aluminum	244,299	245,963
Fluoride	12,556	17,228
Carbon	148,653	145,935
Coag aid	11,565	2,325
Raw water polymer	8,064	4,607
Materials and supplies	17,164	7,208
Permit/license fees	1,421	1,415
Miscellaneous supplies	-	12,835
Purification lab supplies	13,776	-
Purchased power	94,383	81,270
	\$ 936,428	\$ 899,844

City of Hannibal, Missouri**Board of Public Works**

Water Department

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Water Pumping		
Telephone	\$ -	\$ 44
Maintenance pumping equipment	13,764	3,110
Building and ground maintenance	-	554
Pumping plant equipment	-	3,250
Materials and supplies	284	995
Lawn maintenance	408	484
Purchased power	178,624	159,088
	<u>\$ 193,080</u>	<u>\$ 167,525</u>
Fringe Benefits		
FICA/Medicare	\$ 65,639	\$ 67,900
Medical/dental benefits	303,025	302,011
Lagers benefit	133,597	134,335
Life insurance benefit	799	755
Wellness benefit	1,271	2,730
Clothing allowance	1,950	2,173
	<u>\$ 506,281</u>	<u>\$ 509,904</u>
Other Administrative Costs		
Uncollectible expense	\$ 25,519	\$ 16,391
Vacation and personal and sick leave expense	30,863	34,562
	<u>\$ 56,382</u>	<u>\$ 50,953</u>
Depreciation	<u>\$ 546,082</u>	<u>\$ 511,503</u>
Total Operating Expenses	<u>\$ 3,782,704</u>	<u>\$ 3,494,368</u>

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

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Superintendent and Supervisors		
Salaries	\$ 56,276	\$ 50,777
Customer accounts sup labor	12,792	12,556
Operating supervisor engineering labor	31,297	32,665
Maintenance supervisor engineering labor	28,107	27,923
	<u>\$ 128,472</u>	<u>\$ 123,921</u>
Administrative		
Salaries	\$ 35,991	\$ 35,112
Drug testing	450	352
Office supplies and expense	2,032	567
Outside service fee - audit	4,096	3,901
Outside service fee - legal	3,323	1,686
Board member salaries	2,400	2,400
Structures and improvements	114	122
Training/meetings/travel	2,464	1,214
New hire expense	2,076	-
Office supplies and expense	3,036	2,938
Telephone	6,136	5,947
Prepaid insurance	113,536	109,140
Economic development	11,250	11,250
Advertising	3,705	3,536
Safety incentives	287	287
Small equipment	-	100
Railroad permits	170	1,218
Employee physicals and vaccines	765	1,097
	<u>\$ 191,831</u>	<u>\$ 180,867</u>
SCADA/Information Systems		
Salaries-Info. Systems	\$ 15,146	\$ 15,164
Contract outside services	3,420	948
Training/meetings/travel	21	392
Phone/airtime charges	124	97
Hardware	4,146	384
Software	9,634	1,802
Maintenance of hardware	20,453	16,104
Salaries	65,159	56,829
Office supplies and expense	658	111
Office equipment & furniture	64	83
Training/meeting/travel	149	1,100
Safety equipment/meals	339	163
Small equipment	7	-
Office supplies and expense	82	58
Transportation	393	321
Safety programs	1,935	2,499
	<u>\$ 121,730</u>	<u>\$ 96,055</u>

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

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Customer Accounts		
Customer accounts wages	\$ 45,336	\$ 43,781
Janitorial services	2,740	1,953
Outside contracted services	1,719	538
Training/meeting/travel	772	922
Postage	15,432	15,738
Telephone	-	33
Office furniture and equipment	-	45
Miscellaneous	6	73
Advertising	-	7
Sewer connect fees	8,218	8,301
Collectors office expense	7,841	8,196
In lieu of franchise tax	173,439	153,665
	<u>\$ 255,503</u>	<u>\$ 233,252</u>
Meter Reading		
Meter reading labor	<u>\$ 33,774</u>	<u>\$ 33,651</u>
Maintenance General Plant		
Lift station	\$ 33,585	\$ 20,300
WWTP labor	38,553	41,303
Uniforms	2,061	2,619
General plant repairs	791	300
Telephone	52	52
Office supplies	7	7
Miscellaneous equipment	1,135	133
Building expenses	6,149	5,050
Structures and improvement	3,362	35
Miscellaneous equipment maintenance	1,870	460
Materials and supplies	3,039	4,144
Rental expense	135	135
	<u>\$ 90,739</u>	<u>\$ 74,538</u>
Sewer Collection		
Maintenance sewer collect labor	\$ 206,406	\$ 187,559
Interdepartmental labor	36,299	7,952
City projects labor	100	181
WWTP labor	201	2,477
General plant labor	8,504	7,309
Lift station labor	20	110
Sanitary sewers	-	10,793
Lift stations	16,034	6,744
Uniforms	2,068	3,045
Storm sewer labor	522	-
Collection mains	33,536	19,446
Engineering/consulting	-	14,984
Safety equipment/meals	5,005	4,871
Maintenance tools and equipment	3,027	3,944

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

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	2010	2009
Sewer Collection (Concluded)		
Small tools and equipment	35,369	1,569
Lift station equipment	22,243	4,268
Transportation	46,853	22,204
Right of ways	95	95
Sanitary sewers	-	-
Material and supplies	23,867	9,675
Dig rights	718	987
CDL license fees	-	-
Sewer expenses	97	117
Maintenance of mobile radios	966	649
Maintenance lift stations	10,559	16,319
Maintenance Bear Creek Dam	7,064	9,636
Maintenance storm sewers	17,815	15,311
	<u>\$ 477,368</u>	<u>\$ 350,245</u>
Sewer Treatment		
Supervision WWTP	\$ 52,244	\$ 33,265
Operation WWTP labor	224,903	307,220
Engineering services	40,627	38,785
Uniforms	19,480	15,521
Maintenance equipment	45,022	11,573
Maintenance structure	5,334	7,223
Lift station maintenance	132	-
Bio-Solids	20,690	21,135
Structures and improvements	-	(2,160)
Training/meeting/travel	3,452	2,719
Safety equipment/meals	1,302	1,797
Postage	813	616
Telephone	3,417	3,219
Maintenance equipment	13,469	18,310
Communication equipment	656	656
Miscellaneous equipment purchases	6,052	693
Transportation	6,548	2,497
Miscellaneous supplies and expense	429	475
Chlorine	6,033	4,062
Liquid oxygen	23,836	31,256
Polymer	27,387	33,297
Materials and supplies	10,941	6,875
Lab supplies and expense	8,585	7,354
MO fertilizer sales expense	100	100
CDL license fees	50	25
Operating lift stations - electric	22,361	20,295
WWTP purchased power	290,868	278,328
Water purchased WWTP	5,911	5,432
	<u>\$ 840,642</u>	<u>\$ 850,568</u>

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

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Fringe Benefits		
FICA/Medicare	\$ 69,982	\$ 70,725
Medical/Dental benefits	293,269	305,911
Lagers benefit	142,289	140,642
Life insurance benefit	799	779
Wellness benefit	3,129	3,846
Clothing allowance	2,250	2,438
	<u>\$ 511,718</u>	<u>\$ 524,341</u>
 Other Administrative Costs		
Uncollectible expense	\$ 25,715	\$ 13,800
Vacation and personal and sick leave expense	16,452	18,980
	<u>\$ 42,167</u>	<u>\$ 32,780</u>
 Depreciation	<u>\$ 748,908</u>	<u>\$ 752,882</u>
 Total Operating Expenses	<u><u>\$ 3,442,852</u></u>	<u><u>\$ 3,253,100</u></u>

Supplementary Schedules

City of Hannibal, Missouri
Board of Public Works
Electric Department
Plant Assets and Depreciation Schedule
Year Ended June 30, 2010

	Cost 7/1/2009	Additions	Retirements and Other	Cost 6/30/2010	Accumulated Depreciation 7/1/2009	Depreciation for the Year	Retirements	Accumulated Depreciation 6/30/2010
Land and land rights	\$ 20,062	\$ -	\$ -	\$ 20,062	\$ -	\$ -	\$ -	\$ -
Clearing land & right of way	1,627	-	-	1,627	-	-	-	-
Structures & improvements	33,973	-	-	33,973	28,351	624	-	28,975
Station equipment	1,165,670	-	-	1,165,670	780,889	25,157	-	806,046
Transmission towers & fixtures	78,953	-	-	78,953	78,953	-	-	78,953
Poles & fixtures	604,015	-	-	604,015	561,369	3,798	-	565,167
Overhead conduit & device	471,843	-	-	471,843	471,223	87	-	471,310
Underground conduit & device	200	-	-	200	200	-	-	200
Road	9,523	-	-	9,523	6,427	477	-	6,904
Land and land rights	99,193	-	-	99,193	-	-	-	-
Plant structure & improvements	38,637	-	-	38,637	38,637	-	-	38,637
Station equipment	7,137,169	-	-	7,137,169	2,703,471	364,317	-	3,067,788
161 kV transmission line	-	9,155,576	-	9,155,576	-	-	-	-
Poles, towers & fixtures	2,019,503	-	-	2,019,503	1,287,926	74,590	-	1,362,516
Overhead conduit & device	2,082,446	-	-	2,082,446	1,423,339	82,340	-	1,505,679
Underground conduit	30,725	-	-	30,725	12,179	1,477	-	13,656
Underground conduit & device	180,432	-	-	180,432	124,457	8,429	-	132,886
Line transformers	1,547,969	-	-	1,547,969	1,225,735	39,748	-	1,265,483
Services	333,839	-	-	333,839	280,550	7,905	-	288,455
Meters	3,037,490	-	-	3,037,490	445,727	164,772	-	610,499
Install on customer premise	3,225	-	-	3,225	1,935	322	-	2,257
Leased property	2,227	-	-	2,227	1,491	113	-	1,604
Street Light & Signal	956,424	-	-	956,424	667,901	29,378	-	697,279
Structures & Improvements	1,039,364	-	-	1,039,364	996,994	3,004	-	999,998
Office furniture & equipment	502,662	31,474	-	534,136	402,498	18,733	-	421,231
Transportation	916,092	-	-	916,092	681,392	60,334	-	741,726
Tools - shop & garage	36,520	-	-	36,520	31,172	1,585	-	32,757
Power operated equipment	7,551	-	-	7,551	7,551	-	-	7,551
Communication equipment	25,618	9,527	-	35,145	20,038	1,086	-	21,124
Miscellaneous equipment	93,844	-	-	93,844	75,328	3,355	-	78,683
Total Utility Plant in Service	\$ 22,476,796	\$ 9,196,577	\$ -	\$ 31,673,373	\$ 12,355,733	\$ 891,631	\$ -	\$ 13,247,364
Construction in Progress	8,533,208	746,214	9,160,926	118,496	-	-	-	-
Total Utility Plant	\$ 31,010,004	\$ 9,942,791	\$ 9,160,926	\$ 31,791,869	\$ 12,355,733	\$ 891,631	\$ -	\$ 13,247,364

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

City of Hannibal, Missouri
Board of Public Works

Water Department

Plant Assets and Depreciation Schedule
Year Ended June 30, 2010

	Cost 7/1/2009	Additions	Retirements and Other	Cost 6/30/2010	Accumulated Depreciation 7/1/2009	Depreciation for the Year	Retirements	Accumulated Depreciation 6/30/2010
Land	\$ 108,675	\$ -	\$ -	\$ 108,675	\$ -	\$ -	\$ -	\$ -
Purification Plant:								
Filtration Plan	7,260,068	1,044,165	-	8,304,233	2,511,619	146,999	-	2,658,618
Pumping Plant:								
Pumping plant and equipment	2,434,647	-	-	2,434,647	484,091	54,763	-	538,854
Distribution Plant:								
Reservoir	3,975,605	-	-	3,975,605	426,491	39,732	-	466,223
Booster stations	521,778	-	-	521,778	288,679	17,450	-	306,129
Distribution mains	7,922,460	26,275	-	7,948,735	1,871,942	104,494	-	1,976,436
Structures	385,297	-	-	385,297	199,205	32,212	-	231,417
Meters	1,618,318	-	-	1,618,318	258,983	88,293	-	347,276
Services	721,047	-	-	721,047	489,924	10,305	-	500,229
Hydrants	610,408	-	-	610,408	388,048	15,853	-	403,901
Transportation equipment	294,672	19,000	-	313,672	207,111	11,380	-	218,491
Tools and equipment	188,594	-	-	188,594	125,013	11,414	-	136,427
Other equipment	54,531	-	-	54,531	38,635	2,546	-	41,181
	<u>\$ 26,096,100</u>	<u>\$ 1,089,440</u>	<u>\$ -</u>	<u>\$ 27,185,540</u>	<u>\$ 7,289,741</u>	<u>\$ 535,441</u>	<u>\$ -</u>	<u>\$ 7,825,182</u>
General Plant:								
Office equipment	\$ 209,384	\$ 14,745	\$ -	\$ 224,129	\$ 170,930	\$ 8,055	\$ -	\$ 178,985
Communication equipment	12,613	2,088	-	14,701	10,028	698	-	10,726
Structures and improvements	175,147	-	-	175,147	160,435	1,888	-	162,323
	<u>\$ 397,144</u>	<u>\$ 16,833</u>	<u>\$ -</u>	<u>\$ 413,977</u>	<u>\$ 341,393</u>	<u>\$ 10,641</u>	<u>\$ -</u>	<u>\$ 352,034</u>
Total Utility Plant In Service	<u>\$ 26,493,244</u>	<u>\$ 1,106,273</u>	<u>\$ -</u>	<u>\$ 27,599,517</u>	<u>\$ 7,631,134</u>	<u>\$ 546,082</u>	<u>\$ -</u>	<u>\$ 8,177,216</u>
Construction in Progress	<u>725,280</u>	<u>359,381</u>	<u>1,070,440</u>	<u>14,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Plant	<u>\$ 27,218,524</u>	<u>\$ 1,465,654</u>	<u>\$ 1,070,440</u>	<u>\$ 27,613,738</u>	<u>\$ 7,631,134</u>	<u>\$ 546,082</u>	<u>\$ -</u>	<u>\$ 8,177,216</u>

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

City of Hannibal, Missouri
Board of Public Works

Sewer Department
Plant Assets and Depreciation Schedule
Year Ended June 30, 2010

	Cost 7/1/2009	Additions	Retirements and Other	Cost 6/30/2010	Accumulated Depreciation 7/1/2009	Depreciation for the Year	Retirements	Accumulated Depreciation 6/30/2010
Land and land rights	\$ 492,898	\$ 25,645	\$ -	\$ 518,543	\$ -	\$ -	\$ -	\$ -
Treatment plant	17,238,886	-	-	17,238,886	9,597,939	419,680	-	10,017,619
Storm sewers	250,454	-	-	250,454	77,663	5,009	-	82,672
Sanitary sewers	8,690,030	82,755	-	8,772,785	4,210,936	178,060	-	4,388,996
Sewer connections	1,387,905	-	-	1,387,905	215,359	68,923	-	284,282
Office furniture and equipment	278,539	14,745	-	293,284	252,794	6,523	-	259,317
Transportation equipment	421,400	19,000	-	440,400	151,446	31,252	-	182,698
Tools and equipment	122,206	-	-	122,206	109,330	3,763	-	113,093
Office building and improvement	114,042	-	-	114,042	63,664	1,325	-	64,989
Laboratory equipment	23,423	-	-	23,423	22,052	686	-	22,738
Communication equipment	8,878	36,238	-	45,116	6,976	317	-	7,293
Other equipment	500,249	-	-	500,249	324,137	30,725	-	354,862
Structures	37,737	-	-	37,737	5,292	2,645	-	7,937
Total Utility Plant in Service	\$ 29,566,647	\$ 178,383	\$ -	\$ 29,745,030	\$ 15,037,588	\$ 748,908	\$ -	\$ 15,786,496
Construction in Progress	40,493	197,491	116,903	121,081	-	-	-	-
Total Utility Plant	\$ 29,607,140	\$ 375,874	\$ 116,903	\$ 29,866,111	\$ 15,037,588	\$ 748,908	\$ -	\$ 15,786,496

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

City of Hannibal, Missouri
Board of Public Works
Schedule of Investments
June 30, 2010

Description	Interest Rate	Maturity Date	Book Value	Market Value
Electric				
Unrestricted Temporary Cash Investments:				
F&M Bank and Trust Co - Certificate of Deposit	2.31%	7/22/2010	\$ 600,000	\$ 600,000
F&M Bank and Trust Co - Certificate of Deposit	2.31%	3/31/2011	520,923	520,923
F&M Bank and Trust Co - Certificate of Deposit	2.31%	7/1/2010	550,000	550,000
F&M Bank and Trust Co - Certificate of Deposit	2.31%	7/1/2010	550,000	550,000
F&M Bank and Trust Co - Certificate of Deposit	2.31%	7/8/2010	620,308	620,308
F&M Bank and Trust Co - Certificate of Deposit	2.31%	7/22/2010	1,300,000	1,300,000
Total Unrestricted Temporary Cash Investments			\$ 4,141,231	\$ 4,141,231
Water				
Unrestricted Temporary Cash Investments:				
Bank of New York Mellon Trust Company N.A.			\$ 1,115,321	\$ 1,115,321
Restricted Investments				
Sewer				
Debt Service Reserve:				
Money Market Funds - UMB Bank			\$ 275,753	\$ 275,753
Total Restricted Investments			\$ 275,753	275,753
Total Investments			\$ 5,532,305	\$ 5,532,305

**Comparative Statement
of Operating Factors**

City of Hannibal, Missouri
Board of Public Works
Electric Department
Comparative Statement of Operating Factors
Years Ended June 30, 2010 and 2009

	Unit	2010	2009
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		51.26	51.16
Maximum peak load operation	KW	56,237	60,869
Investment per capita	\$	1,790.39	1,746.35
Total revenue per \$100.00 investment	\$	81.05	72.42
Ratio of total operation expense to total operating revenue	%	97.45%	93.57%
Operating profit (loss) per \$100.00 investment	\$	2.07	4.66
Total purchased power cost per kWh	\$	0.0699	0.0534
Average price received per kWh sold	\$	0.0994	0.0849
Operating profit (loss) per kWh sold	\$	0.0025	0.0055
Average residential use	kWh	10,643	10,556
Total kWh purchased	kWh	265,469,491	275,953,182
Total kWh sold	kWh	259,205,635	264,519,462
Customers at end of year:			
Residential		7,809	7,823
Commercial		1,172	1,137
Industrial		121	125
		<u>9,102</u>	<u>9,085</u>

City of Hannibal, Missouri
Board of Public Works
Water Department
Comparative Statement of Operating Factors
Years Ended June 30, 2010 and 2009

	Unit	2010	2009
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		42.86	43.09
Capacity per day	Gallon	7,500,000	7,500,000
Maximum production per day	Gallon	7,500,000	7,500,000
Average production per day	Gallon	2,810,120	3,333,568
Investment per 1,000 gallons sold	\$	26.92	22.37
Investment per capita	\$	1,555.09	1,532.83
Total Revenue per \$100.00 investment	\$	15.14	14.82
Ratio of operating expenses to operating revenue	%	90.48%	86.65%
Operating profit (loss) per \$100.00 investment	\$	1.44	1.98
Average price received per 1,000 gallons	\$	3.83	3.11
Average cost per 1,000 gallons	\$	3.69	2.87
Customers at end of year:			
Residential		6,748	6,773
Commercial		820	813
Industrial		40	62
Other public authorities		3	3
		<u>7,611</u>	<u>7,651</u>
Consumption for year:			
Residential	Gallon	340,033,700	339,749,700
Commercial	Gallon	152,400,600	151,887,000
Industrial	Gallon	197,503,000	208,164,700
Other public authorities	Gallon	158,240,200	162,744,400
Interdepartmental	Gallon	1,666,000	1,467,300
Filtration plant - washing filter, filling basins, etc.	Gallon	109,483,340	123,159,499
City use (Fires, street cleaning, etc.) and lost water	Gallon	66,366,811	229,579,801
Total gallons received from pumping station/filtered		<u>1,025,693,651</u>	<u>1,216,752,400</u>

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Factors
Years Ended June 30, 2010 and 2009

	Unit	2010	2009
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		42.99	43.11
Investment per capita	\$	1,681.93	1,667.35
Total revenue per \$100.00 investment	\$	12.06	10.85
Ratio of total operation expense to total operating revenue	%	95.55%	101.30%
Operating profit (loss) per \$100.00 investment	\$	0.54	(0.14)
Total treatment cost per million gallons	\$	3,356.61	2,673.59
Average price received per million gallons treated	\$	3,347.31	2,673.59
Operating profit (loss) per million gallons treated	\$	156.42	(34.31)
Total gallons treated	Gallons	1,025,693,651	1,216,752,400
Total gallons from water plant	Gallons	1,056,869,549	1,161,267,597
Customers at end of year:			
Residential		6,840	6,858
Commercial		775	777
Industrial		19	20
		<u>7,634</u>	<u>7,655</u>

Case	Age	Sex	Occupation	Duration of symptoms	Onset	Course	Outcome	Comments
1	25	M	Student	10 days	Acute	Recovery	100%	First case
2	30	F	Teacher	15 days	Subacute	Recovery	100%	Second case
3	35	M	Engineer	20 days	Chronic	Recovery	100%	Third case
4	40	F	Homemaker	25 days	Chronic	Recovery	100%	Fourth case
5	45	M	Doctor	30 days	Chronic	Recovery	100%	Fifth case
6	50	F	Nurse	35 days	Chronic	Recovery	100%	Sixth case
7	55	M	Retired	40 days	Chronic	Recovery	100%	Seventh case
8	60	F	Teacher	45 days	Chronic	Recovery	100%	Eighth case
9	65	M	Engineer	50 days	Chronic	Recovery	100%	Ninth case
10	70	F	Homemaker	55 days	Chronic	Recovery	100%	Tenth case
11	75	M	Doctor	60 days	Chronic	Recovery	100%	Eleventh case
12	80	F	Nurse	65 days	Chronic	Recovery	100%	Twelfth case
13	85	M	Retired	70 days	Chronic	Recovery	100%	Thirteenth case
14	90	F	Teacher	75 days	Chronic	Recovery	100%	Fourteenth case
15	95	M	Engineer	80 days	Chronic	Recovery	100%	Fifteenth case