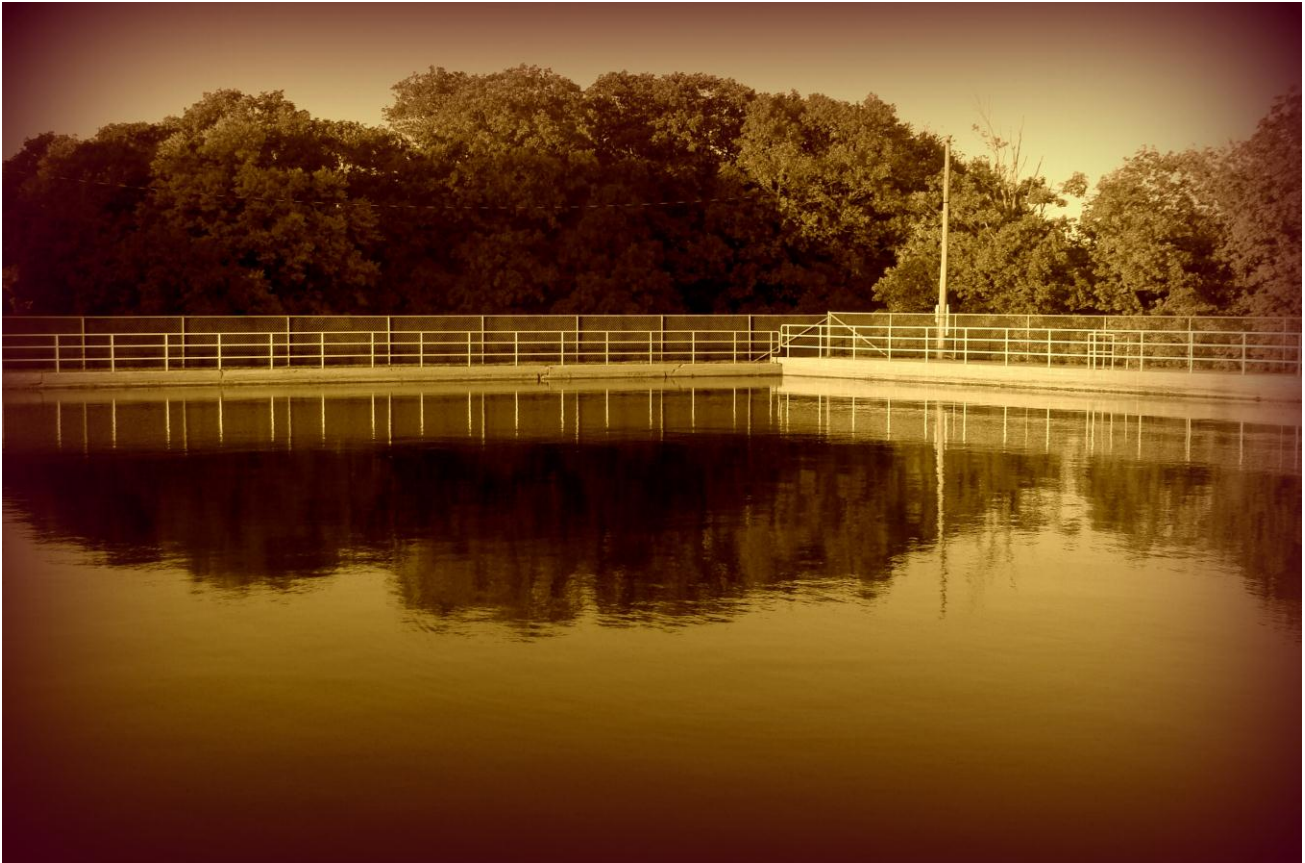


City of Hannibal, Missouri

Board of Public Works

Basic Financial Statements
And Management's Discussion and Analysis
For the Fiscal Years
Ending June 30, 2011 and 2010



Hannibal, Missouri ♦ Quincy, Illinois ♦ O'Fallon, Missouri ♦ Troy, Missouri

City of Hannibal, Missouri

Board of Public Works

Basic Financial Statements

And Management's Discussion and Analysis

For the Fiscal Years

Ending June 30, 2011 and 2010

City of Hannibal, Missouri
Board of Public Works
Year Ended June 30, 2011
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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 Hannibal, Missouri as of and for the year ended June 30, 2011 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. The prior year summarized comparative information has been derived from the Board of Public Works 2010 financial statements and, in our report dated we expressed an unqualified opinion on those financial statements.

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 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Electric, Water and Sewer funds and do not purport to, and do not, present fairly the financial position of the City of Hannibal, Missouri as of June 30, 2011, and the changes in its financial position or cash flows for the year ended 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 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, 2011, and changes in financial position and cash flows thereof for the year 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' financial statements as a whole. The information fund statements, supplementary schedules and comparative statement of operating factors are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

August 26, 2011
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, 2011
(Unaudited)

Introduction

The Hannibal Board of Public Works of Hannibal, Missouri (Board of Public Works) is a municipally owned utility of the City of Hannibal, Missouri (City). The Board of Public Works 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 Board of Public Works provides an overview of the Board of Public Works' financial activities for the fiscal year ended June 30, 2011. This analysis should be read in conjunction with the financial statements and notes.

Financial Highlights

- Electric rates for residential customers only were increased 5% on July 1, 2010.
- Water rates were increased 3% on July 1, 2010.
- Sewer rates were increased 3% on July 1, 2010.

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, 2011 and 2010. The Statements of Net Assets present the Board of Public Works' financial condition, assets, liabilities and net assets at June 30, 2011 and 2010. The Statements of Cash Flows present the Board of Public Works' sources and uses funds for the fiscal years ended June 30, 2011 and 2010. 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

	Electric	Water	Sewer	Total
Assets				
Current	\$ 8,951,730	\$ 2,450,481	\$ 617,911	\$ 12,020,122
Net capital assets	17,794,651	19,122,256	13,407,892	50,324,799
Other	937,152	1,552,712	297,325	2,787,189
Total	<u>\$ 27,683,533</u>	<u>\$ 23,125,449</u>	<u>\$ 14,323,128</u>	<u>\$ 65,132,110</u>
Liabilities				
Current	\$ 3,958,365	\$ 991,891	\$ 510,217	\$ 5,460,473
Long-term debt	6,474,347	2,035,138	1,609,828	10,119,313
Other liabilities	-	877,500	8,706	886,206
Total	<u>\$ 10,432,712</u>	<u>\$ 3,904,529</u>	<u>\$ 2,128,751</u>	<u>\$ 16,465,992</u>
Net Assets	<u>\$ 17,250,821</u>	<u>\$ 19,220,920</u>	<u>\$ 12,194,377</u>	<u>\$ 48,666,118</u>

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Fiscal Year Ended June 30, 2011 and 2010 (in thousands)

	2011	2010
Operating Revenues	\$ 34,951	\$ 33,551
Less Operating Expenses	33,283	32,334
Total Operating Income	\$ 1,668	\$ 1,217
Non-Operating Revenues and Expenses		
Interest income	\$ 63	\$ 152
Interest expense	(616)	(640)
Other items (net)	322	357
Total Other Income (Expenses)	\$ (231)	\$ (131)
Change in Net Assets	\$ 1,437	\$ 1,086
Net Assets at beginning of period	47,229	46,143
Net Assets at end of period	\$ 48,666	\$ 47,229

Fiscal Years Ending June 30, 2011 and 2010 (in thousands)

	2011	2010
Operating Revenues		
Electric	\$ 27,114	\$ 25,767
Water	4,222	4,181
Sewer	3,615	3,603
Total	\$ 34,951	\$ 33,551

Fiscal Years Ending June 30, 2011 and 2010 (in thousands)

	2011	2010
Operating Expense		
Electric	\$ 26,040	\$ 25,108
Water	3,801	3,783
Sewer	3,442	3,443
Total	\$ 33,283	\$ 32,334

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

MAJOR INITIATIVES

Electric Department

The Electric Department operated for the year doing maintenance only. Funds normally set aside for investments were used to pay for wholesale electricity and rebuild some cash reserves. The Department aggressively cut costs for the second year in a row by eliminating capital improvements, deferring non-critical maintenance, reducing the labor pool, freezing wages and eliminating benefit increases.

One capital improvement project planned, the modernization of 15kv circuit breakers at Indian Mounds Substation, was accomplished on time and somewhat under budget during the year. Near year end, due to better than expected performance to budget, the Board approved the early purchase (moved up from FY2011-2012) of a miniature digger derrick for use on rear lot line easements. This tool will minimize damage to private property when doing pole replacements away from street right-of-ways.

The current three-year purchase power contract with Ameren Energy Marketing expires at 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 to receive bids for electric power supply for the years 2012 through 2014. Harbour Consulting of Springfield, IL helped negotiate a final contract with Ameren Energy Marketing. The new contract price will reduce the cost of wholesale power from \$65/MWH to \$43/MWH for the term of the contract

Water Department

The Water Department also operated for the year doing maintenance only work due to budget constraints brought on by the Electric Department.

To conform to increasing pressure from Missouri Department of Natural Resources related to drinking water standards, the HBPW has initiated a study jointly with Ralls County Water District, to determine the best way to lower the formation of Disinfection Byproducts in our joint distribution systems. That study is underway at year end and expected to be complete in the Spring of 2012.

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 has provided the area of Hannibal south of Bear Creek with a redundant water supply.

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.

The Water Department and Sewer Department jointly invested in a backhoe and dump truck so in-house staff can excavate for main replacements rather than paying a contractor. This has dramatically reduced the HBPW's reliance on and cost of contract equipment and labor.

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(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.

The Sewer Department contracted with a GPS locating firm from Quincy, IL to locate all sewer facilities in the City for mapping purposes. As of June 30, 2011, all facilities have been located with the exception of 300-400 manholes that could not be found due to paving over by City contractors for the past several years. Work is underway at year end to locate, excavate and raise those manholes, a project expected to take many months. This mapping project, when complete, should allow for more efficient maintenance of the sewer system in the future.

Televising of sewer mains is performed routinely to locate faults, deficiencies and unauthorized inflow into the sanitary sewer system. Corrections are made as needed.

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; Jason Janes, Secretary; and Randy Park, Board Member. During the year, Mr. Danforth died in office and was replaced by Dr. Ervin Harder.

The planned upgrade to the Business Management software was postponed indefinitely due to high costs and staff concerns about the time and inconvenience of such a changeover. This project will be re-proposed at a later date.

Staffing

During the year the HBPW experienced a high number of retirements, or about 12% of our entire staff. Operations continued for most of the year with reduced staffing. These retirements resulted in higher than normal pension payouts and related expenses. Replacements are planned for FY 2011-2012.

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 and considering the high levels of deferred maintenance, the Board is planning 8% rate increases in both Water and Sewer Funds for FY 2011-2012. 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 Dept. has only one critical need for the next year, which is the replacement of aging 35kv circuit breakers at the Indian Mounds substation. Design and quotations work is already underway.

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 compliance with Federal and State regulations.

Within the Sewer Dept. the WWTP will require upgrades due to new regulation from MoDNR related to effluent limits. In addition we are planning to address several items of deferred maintenance. The collection system will receive enhanced attention to pipe cleaning, CCTV surveillance, and I and I control.

City of Hannibal, Missouri
Board of Public Works
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

OPERATING RESULTS

Electric, water and sewer revenue is comprised of sales to the HBPW's customers. Electric customers provided \$25,129,195 in revenue for the year, an increase of 5.31% over the previous year. Electric sales were up 3.97% from the prior year. Of the revenue received, 76.75%, or \$19,286,104, went directly to Ameren/UE to pay for wholesale electric power. This was a 3.90% increase from the prior year.

Water revenues were increased 1.04% from the previous year. Reported sales of water in prior years have been estimated, however, this year is based on actual metering data. Sewer revenues increased 0.33% from the previous year while sales increased 0.03%

In recent years, the Electric Fund reflected an anomaly in its year-end statistical review that was noted in the previous year's management discussion. 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. A review of metering calibration with the wholesale provider yielded no new insights into the reason for the noted anomaly. Further investigation continues 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. Transfer fees totaling \$1,607,690 were paid to the City of Hannibal. Unbilled utility services valued at \$205,968 were provided to the City during the fiscal year.

The Hannibal Board of Public Works remains financially sound at the conclusion of fiscal year 2010-2011. 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, 2011 and 2010

	Electric Department	Water Department	Sewer Department	2011	2010
Assets					
Current Assets:					
Cash	\$ 1,358,818	\$ 714,541	\$ 193,634	\$ 2,266,993	\$ 2,045,146
Investments	4,464,542	1,049,675	-	5,514,217	5,256,552
Receivables (Net, where applicable of allowances for uncollectible accounts):					
Customers	2,064,920	281,493	279,527	2,625,940	2,497,549
Other	37,688	16,761	984	55,433	50,043
Due from other funds - current	-	-	-	-	908,609
Due from cities - current	19,984	-	-	19,984	19,221
Inventory	812,297	282,137	31,162	1,125,596	1,123,734
Prepaid insurance	193,481	105,874	112,604	411,959	435,727
Total Current Assets	\$ 8,951,730	\$ 2,450,481	\$ 617,911	\$ 12,020,122	\$ 12,336,581
Restricted Assets:					
Investments - Debt Service	-	-	280,731	280,731	275,753
Property, Plant and Equipment (Net of accumulated depreciation):	17,794,651	19,122,256	13,407,892	50,324,799	52,060,642
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	177,473	-	-	177,473	197,457
Deferred issuance costs, net	151,624	52,712	16,594	220,930	271,881
Total Assets	\$ 27,683,533	\$ 23,125,449	\$ 14,323,128	\$ 65,132,110	\$ 67,250,369
Liabilities					
Current Liabilities:					
Accounts payable	\$ 2,176,967	\$ 177,330	\$ 110,468	\$ 2,464,765	\$ 2,491,430
Customer deposits	373,422	88,323	89,019	550,764	503,730
Other accrued expenses	74,153	16,204	19,108	109,465	95,987
Due to other funds - current	-	-	-	-	908,609
Accrued leave	283,672	301,453	148,211	733,336	930,603
Current portion of long-term debt	1,050,151	341,081	143,411	1,534,643	1,813,188
Current portion due to PWSD#1	-	67,500	-	67,500	67,500
Total Current Liabilities	\$ 3,958,365	\$ 991,891	\$ 510,217	\$ 5,460,473	\$ 6,811,047
Current Liabilities payable from Restricted Assets:					
Accrued interest	\$ -	\$ -	\$ 8,706	\$ 8,706	\$ 10,531
Due to PWSD #1	-	877,500	-	877,500	945,000
Long-term debt	6,474,347	2,035,138	1,609,828	10,119,313	12,254,956
Total Liabilities	\$ 10,432,712	\$ 3,904,529	\$ 2,128,751	\$ 16,465,992	\$ 20,021,534
Net Assets					
Invested in capital assets, net of related long-term debt	\$ 10,270,153	\$ 16,746,037	\$ 11,654,653	\$ 38,670,843	\$ 37,992,498
Restricted for debt service	-	-	280,731	280,731	275,753
Unrestricted	6,980,668	2,474,883	258,993	9,714,544	8,960,584
Total Net Assets	\$ 17,250,821	\$ 19,220,920	\$ 12,194,377	\$ 48,666,118	\$ 47,228,835
Total Liabilities and Net Assets	\$ 27,683,533	\$ 23,125,449	\$ 14,323,128	\$ 65,132,110	\$ 67,250,369

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, 2011 and 2010

	Electric Department	Water Department	Sewer Department	2011	2010
Operating Revenues:					
Charges for services					
Residential	\$ 8,983,286	\$ 1,986,901	\$ 2,011,040	\$ 12,981,227	\$ 12,357,436
Commercial	3,116,512	705,747	753,405	4,575,664	4,509,371
Industrial	12,840,542	693,424	639,561	14,173,527	13,600,081
Sales (including interest)	-	537,927	-	537,927	514,875
Transfer fees collected	1,242,712	195,106	169,872	1,607,690	1,511,129
Sales tax collected	741,984	62,067	-	804,051	820,186
Penalties	188,855	41,047	40,610	270,512	237,492
Total Operating Revenues	<u>\$ 27,113,891</u>	<u>\$ 4,222,219</u>	<u>\$ 3,614,488</u>	<u>\$ 34,950,598</u>	<u>\$ 33,550,570</u>
Operating Expenses:					
Administrative	\$ 374,043	\$ 211,243	\$ 197,981	\$ 783,267	\$ 776,180
Customer accounts	2,106,724	358,607	247,507	2,712,838	2,646,974
Depreciation	1,100,211	568,979	756,081	2,425,271	2,186,621
Distribution	1,515,457	602,549	-	2,118,006	1,936,020
Fringe benefits	783,162	509,346	520,687	1,813,195	1,776,256
Maintenance - general plant	185,031	49,708	84,803	319,542	431,306
Meter reading	85,267	43,560	42,205	171,032	137,023
Other administrative expenses	104,388	51,158	(19,064)	136,482	414,662
Purchased power	19,286,104	-	-	19,286,104	18,561,477
Water pumping	-	193,796	-	193,796	193,080
SCADA/Information systems	241,734	120,303	120,294	482,331	484,105
Sewer collection	-	-	546,893	546,893	477,368
Sewer treatment	-	-	815,114	815,114	840,642
Superintendent & supervisors	257,423	130,022	129,868	517,313	536,088
Water treatment	-	961,732	-	961,732	936,428
Total Operating Expenses	<u>\$ 26,039,545</u>	<u>\$ 3,801,003</u>	<u>\$ 3,442,369</u>	<u>\$ 33,282,917</u>	<u>\$ 32,334,230</u>
Income (Loss) from Operations	<u>\$ 1,074,346</u>	<u>\$ 421,216</u>	<u>\$ 172,119</u>	<u>\$ 1,667,681</u>	<u>\$ 1,216,340</u>
Non-Operating Revenue (Expense)					
Interest income	\$ 61,295	\$ 1,854	\$ -	\$ 63,149	\$ 151,638
Rental income	61,609	-	-	61,609	61,678
Miscellaneous	65,026	29,498	7,527	102,051	59,569
Disaster relief income	94,128	-	-	94,128	3,336
Flood wall reimbursement	64,844	-	-	64,844	233,090
Interest expense/fees	(356,223)	(196,240)	(63,716)	(616,179)	(640,095)
Gain (Loss) on capital assets	-	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>\$ (9,321)</u>	<u>\$ (164,888)</u>	<u>\$ (56,189)</u>	<u>\$ (230,398)</u>	<u>\$ (130,784)</u>
Interfund Transfers					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
Total Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ 1,065,025</u>	<u>\$ 256,328</u>	<u>\$ 115,930</u>	<u>\$ 1,437,283</u>	<u>\$ 1,085,556</u>
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 17,250,821</u>	<u>\$ 19,220,920</u>	<u>\$ 12,194,377</u>	<u>\$ 48,666,118</u>	<u>\$ 47,228,835</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, 2011 and 2010

	Electric Fund	Water Fund	Sewer Fund	2011	2010
Cash Flows from Operating Activities:					
Receipts from customers	\$ 27,120,705	\$ 4,174,636	\$ 3,573,900	\$ 34,869,241	\$ 34,710,903
Payments to suppliers and employees	(25,070,301)	(3,171,318)	(2,809,965)	(31,051,584)	(30,939,382)
Net Cash Flows from Operating Activities	<u>\$ 2,050,404</u>	<u>\$ 1,003,318</u>	<u>\$ 763,935</u>	<u>\$ 3,817,657</u>	<u>\$ 3,771,521</u>
Cash Flows from Investing Activities					
Interest revenue	\$ 61,295	\$ 1,854	\$ -	\$ 63,149	\$ 63,149
Purchase / sale of securities (net)	(323,311)	65,646	(4,978)	(262,643)	(1,768,139)
Additions to capital assets	(350,357)	(254,713)	(84,358)	(689,428)	(1,436,050)
Other revenue	285,607	29,498	7,527	322,632	322,632
Gain (loss) on capital assets	-	-	-	-	-
Net Cash Flows Provided By (Used In) Investing Activities	<u>\$ (326,766)</u>	<u>\$ (157,715)</u>	<u>\$ (81,809)</u>	<u>\$ (566,290)</u>	<u>\$ (2,818,408)</u>
Cash Flows from Capital Financing Activities					
Due to other governments	\$ 297,681	\$ 292,327	\$ (590,008)	\$ -	\$ -
Due from cities	19,221	-	-	19,221	152,228
Debt proceeds / (payments)	(1,008,654)	(1,091,237)	(381,797)	(2,481,688)	(4,286,799)
Interest expense paid	(356,223)	(196,240)	(65,541)	(618,004)	(620,110)
Deferred issuance costs	21,062	24,358	5,531	50,951	88,456
Net Cash Provided By (Used In) Capital Financing Activities	<u>\$ (1,026,913)</u>	<u>\$ (970,792)</u>	<u>\$ (1,031,815)</u>	<u>\$ (3,029,520)</u>	<u>\$ (4,666,225)</u>
Net Increase (Decrease) in Cash	<u>\$ 696,725</u>	<u>\$ (125,189)</u>	<u>\$ (349,689)</u>	<u>\$ 221,847</u>	<u>\$ (3,713,112)</u>
Cash at Beginning of Year	<u>662,093</u>	<u>839,730</u>	<u>543,323</u>	<u>2,045,146</u>	<u>3,158,706</u>
Cash at End of Year	<u><u>\$ 1,358,818</u></u>	<u><u>\$ 714,541</u></u>	<u><u>\$ 193,634</u></u>	<u><u>\$ 2,266,993</u></u>	<u><u>\$ (554,406)</u></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, 2011 and 2010

	Electric Fund	Water Fund	Sewer Fund	2011	2010
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 1,074,346	\$ 421,216	\$ 172,119	\$ 1,667,681	\$ 1,667,681
Adjustments to reconcile net income to net cash provided by:					
Depreciation	1,100,211	568,979	756,081	2,425,271	2,186,621
(Gain) Loss on capital assets	-	-	-	-	-
Changes in operating assets and liabilities					
(Increase) decrease in:					
Accounts receivable - customers	(31,372)	(51,092)	(45,927)	(128,391)	(336,499)
Accounts receivable - other	(3,056)	(2,159)	(175)	(5,390)	10,917
Inventories	4,832	(7,488)	794	(1,862)	36,295
Prepaid expenses	7,739	8,838	7,191	23,768	77,671
Increase (decrease) in:					
Accounts payable	6,540	36,417	(69,622)	(26,665)	204,853
Accrued expenses	11,538	(1,220)	3,160	13,478	10,713
Customer deposits	38,186	3,509	5,339	47,034	96,804
Accrued leave	(158,560)	26,318	(65,025)	(197,267)	(183,535)
Net Cash Provided by (used in) Operating Activities	\$ 2,050,404	\$ 1,003,318	\$ 763,935	\$ 3,817,657	\$ 3,771,521

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

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. 20I, *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
Required Supplementary Information
June 30, 2011

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 2011 and 2010, 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 2011 or 2010.

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

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, 2011 is as follows:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
Electric				
Cost (basis)	\$ 31,673,373	\$ 204,518	\$ (187,560)	\$ 31,690,331
Const. in progress	118,496	146,853	(1,014)	264,335
Depreciation	(13,247,364)	(1,100,211)	187,560	(14,160,015)
Total Electric	<u>\$ 18,544,505</u>	<u>\$ (748,840)</u>	<u>\$ (1,014)</u>	<u>\$ 17,794,651</u>
Water				
Cost (basis)	\$ 27,599,513	\$ 243,049	\$ (47,705)	\$ 27,794,857
Const. in progress	14,221	235,607	(223,940)	25,888
Depreciation	(8,177,216)	(568,978)	47,705	(8,698,489)
Total Water	<u>\$ 19,436,518</u>	<u>\$ (90,322)</u>	<u>\$ (223,940)</u>	<u>\$ 19,122,256</u>
Sewer				
Cost (basis)	\$ 29,745,030	\$ 190,864	\$ (45,332)	\$ 29,890,562
Const. in progress	121,081	22,150	(128,656)	14,575
Depreciation	(15,786,496)	(756,081)	45,332	(16,497,245)
Total Sewer	<u>\$ 14,079,615</u>	<u>\$ (543,067)</u>	<u>\$ (128,656)</u>	<u>\$ 13,407,892</u>
Total Enterprise Funds	<u>\$ 52,060,638</u>	<u>\$ (1,382,229)</u>	<u>\$ (353,610)</u>	<u>\$ 50,324,799</u>

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

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, 2011:

Checking/money market accounts	\$	2,266,993
Certificates of deposit		4,464,542
Other short term investments		1,049,675
Debt service accounts		280,731
Total	\$	<u>8,061,941</u>

These cash and investments are included in the following balance sheet accounts at June 30, 2011:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash	\$ 1,358,818	\$ 714,541	\$ 193,634	\$ 2,266,993
Short term investments	4,464,542	1,049,675	-	5,514,217
Debt service accounts	-	-	280,731	280,731
Total	<u>\$ 5,823,360</u>	<u>\$ 1,764,216</u>	<u>\$ 474,365</u>	<u>\$ 8,061,941</u>

4. Long-Term Obligations

For the Year Ended June 30, 2011, the changes in long-term debt are as follows:

	<u>Balance July 1, 2010</u>	<u>(Retirements) Additions</u>	<u>Balance June 30, 2011</u>
Lease Purchase Agreement	\$ 697,000	\$ (697,000)	\$ -
Lease Purchase Agreement	3,180,000	(290,000)	2,890,000
Lease Purchase Agreement	5,731,000	(632,000)	5,099,000
Revenue Bonds	1,360,000	(244,000)	1,116,000
Escrow Trust Agreement	1,012,500	(67,500)	945,000
Lease Purchase Agreement - Meters	3,100,144	(551,188)	2,548,956
Total	<u>\$ 15,080,644</u>	<u>\$ (2,481,688)</u>	<u>\$ 12,598,956</u>

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

4. Long-Term Obligations (Continued)

The long-term obligations consist of the following issues:

\$4,660,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities	\$ 2,890,000
\$6,971,000 Lease Purchase Agreement - Missouri Association of Municipal Utilities - Series 2006-A	5,099,000
\$3,910,000 Sewerage System Revenue Bonds, Series 1993, due 2015	1,116,000
\$1,500,000 Escrow Trust Agreement - Due to PWSD#1	945,000
\$5,474,839 Lease Purchase Agreement - Commerce Bank due 8/1/2015	2,548,956
Total	\$ 12,598,956
Less: Current portion due to PWSD#1	(67,500)
Less: Current portion long-term debt	(1,534,643)
Net Long-Term Debt	\$ 10,996,813

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. During the year ended June 30, 2011, the lease purchase agreement was paid off early. As disclosed in footnote 4 all issuance costs that were being amortized over term of agreement were expensed.

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 Sawyer Creek sewer line.

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

Fiscal Year June 30,	
2012	\$ 439,187
2013	439,126
2014	438,613
2015	437,184
2016	435,283
2017	437,367
2018	438,549
2019	438,737
	\$ 3,504,046
Less Amounts Representing Interest	(614,046)
	\$ 2,890,000

City of Hannibal, Missouri
 Board of Public Works
 Required Supplementary Information
 June 30, 2011

4. Long-Term Obligations (Continued)

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:

Fiscal Year		
June 30,		
2012	\$	812,008
2013		816,309
2014		820,661
2015		823,317
2016		829,982
2017		833,673
2018		<u>770,364</u>
	\$	5,706,314
Representing Interest		(607,314)
Representing Interest		<u>(607,314)</u>
	\$	<u><u>5,099,000</u></u>

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,		
2012	\$	665,161
2013		665,161
2014		665,161
2015		665,161
2016		<u>110,859</u>
	\$	2,771,503
Less Amounts		
Representing Interest		<u>(222,547)</u>
	\$	<u><u>2,548,956</u></u>

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

4. Long-Term Obligations (Continued)

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, 2011.

The payment schedule is as follows:

Fiscal Year		
June 30		
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>\$</u>	<u>945,000</u>

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

4. Long-Term Obligations (Concluded)

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, 2011 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.

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

<u>Fiscal Yr Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,116,000</u>	<u>\$ 124,416</u>	<u>\$ 1,240,416</u>

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

	<u>Balance July 1, 2010</u>	<u>Issuance Costs</u>	<u>Amortization Expense</u>	<u>Balance June 30, 2011</u>
1994 Bond Issuance - Sewer	\$ 22,125	\$ -	\$ 5,531	\$ 16,594
1994 Bond Issuance - Water	10,182	-	2,545	7,637
2003 Issuance - Electric	54,572	-	3,032	51,540
2003 Issuance - Water	34,890	-	3,876	31,014
2006 Issuance - Water	15,891	-	15,891	-
2008 Issuance - Electric	118,114	-	18,030	100,084
2008 Issuance - Water	16,107	-	2,046	14,061
Total	<u>\$ 271,881</u>	<u>\$ -</u>	<u>\$ 50,951</u>	<u>\$ 220,930</u>

5. Interfund Transfers

There were no interfund transfers during the year.

City of Hannibal, Missouri
 Board of Public Works
 Required Supplementary Information
 June 30, 2011

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.

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 16.3% (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 2010, 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, 2009 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 7.25% per year, compounded annually; (b) projected salary increases of 3.5% 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 1994 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, 2009 was thirty years.

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 518,746	100.0%	\$ -
2010	\$ 488,786	100.0%	\$ -
2011	\$ 518,881	98.2%	\$ 9,340

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

7. Obligations to Purchase Electric Power and Energy

The Board has an agreement with 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:

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
	\$ 608,055

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:

	Electric	Water	Sewer
Vacation	\$ 52,117	\$ 36,553	\$ 17,573
Sick	231,555	264,900	130,638
Personal	-	-	-
	\$ 283,672	\$ 301,453	\$ 148,211

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:

	Electric	Water	Sewer
Vacation	\$ 52,117	\$ 36,553	\$ 17,573
Sick	231,555	264,900	130,638
Personal	-	-	-
	\$ 283,672	\$ 301,453	\$ 148,211

11. Subsequent Events

Subsequent events have been evaluated through August 26, 2011 which is the date the reports were available to be issued.

City of Hannibal, Missouri
Board of Public Works
Required Supplementary Information
June 30, 2011

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
2/29/2009	\$ 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%
2/28/2011	\$ 5,780,537	\$ 9,013,756	\$ 3,233,219	64%	\$ 3,008,604	107%

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, 2011 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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Purchased Power:		
Cost of power purchased	\$ 19,286,104	\$ 18,561,477
Superintendent and Supervisors		
Administrative salaries	\$ 112,441	\$ 112,552
Customer accounts supervisor labor	25,357	25,584
Operating supervisor engineering labor	59,941	70,504
Maintenance supervisor engineering labor	59,684	70,504
	<u>\$ 257,423</u>	<u>\$ 279,144</u>
Administrative		
Salaries	\$ 81,157	\$ 71,982
Contracted outside services	10,914	4,159
Drug testing	998	900
Outside service fee - audit	8,138	8,192
Outside service fee - legal	26,673	7,974
Board members salaries	4,700	4,800
Structures and improvements	664	227
Training/meetings/travel	12,204	5,038
New hire expense	-	4,151
Postage/office supplies	8,120	6,206
Utilities/phone	12,389	12,273
Small equipment	249	-
Prepaid insurance	158,434	227,135
Economic development	22,500	22,250
Miscellaneous - load promotion	2,308	1,852
Energy conservation	-	153
Advertising	22,634	16,347
Safety incentives	1,171	574
Electronic filing fee	45	44
Railroad permits	22	22
Employee physicals and vaccines	723	415
	<u>\$ 374,043</u>	<u>\$ 394,694</u>
SCADA/Information Systems		
Salaries-info systems	\$ 49,571	\$ 30,292
Outside services	5,398	6,840
Training/meetings/travel	3,227	43
Office supplies and expense	337	30
Phone/airtime charges	173	248
Info systems hardware	4,663	6,309
Info systems software	(2,601)	19,269
Info systems maintenance	54,326	40,483
Salaries-SCADA	116,231	130,316
Safety programs	3,941	3,871
Office supplies and expense	344	1,321
Small office equipment and furniture	427	129
Training/meetings/travel	3,881	298

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
SCADA/Information Systems (Concluded)		
Safety equipment/meals	263	679
Small equipment	11	150
Office supplies/equipment	-	-
Transportation	1,512	786
Advertising	30	-
	<u>\$ 241,734</u>	<u>\$ 241,533</u>
Customer Accounts		
Customer accounts labor	\$ 88,934	\$ 90,670
Janitorial services	5,948	5,480
Contracted services	3,982	3,439
Training/meetings/travel	2,835	1,544
Postage/print/office supply	29,257	31,060
Utilities/telephone	-	-
Small equipment	-	-
Credit card processing fees	(29)	-
Miscellaneous	61	12
Advertising	-	-
Cash short (over)	67	18
MO sales tax payable	722,943	738,280
Collectors office expense	14,662	15,682
In lieu of franchise tax	1,238,064	1,147,539
	<u>\$ 2,106,724</u>	<u>\$ 2,033,724</u>
Meter Reading		
Meter reading labor	\$ 84,415	\$ 67,521
Uniform services	852	625
	<u>\$ 85,267</u>	<u>\$ 68,146</u>
Electrical Distribution		
Substation equipment	\$ 484	\$ 652
Underground line labor	3,130	881
Street light/signal labor	11,466	9,148
Meter labor	18,636	9,349
Overhead line labor	497,807	486,460
Parks and recreation labor	1,628	1,361
General plant labor	37,685	21,544
Uniforms	10,370	9,599
Clothing and equipment	4,957	21,314
Building maintenance	7,843	5,627
Transformer/PCB expense	415	431
New construction	300	300
Preliminary survey/engineering	37,855	20,699
Easements	1,400	-
Substations	15,582	6,318
Transmission lines	4,367	2,741
Training/meetings/travel	19,381	7,172
Safety equipment/meals	17,452	10,535

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, 2011 and 2010

	2011	2010
Electrical Distribution (Concluded)		
Office supplies/postage	1,147	1,814
Dig rights	274	308
Telephone	3,727	3,737
Equipment maintenance	3,871	3,516
Tools, shop, garage equipment	11,839	12,609
Communication equipment	4,935	519
Communication equipment repair	1,027	42
Transportation equipment and vehicle repairs	86,759	66,890
Materials and supplies	201,155	154,154
Materials-City Projects	86	-
CDL license fees	58	45
Maintenance mobile radios	1,431	1,931
AmerenUE - meter info	-	160
Prairie State Power admin fees	25,904	19,844
MISO Transmission - Oatt Cha	236,560	144,948
Maintenance overhead lines - tree trimming	245,926	267,718
	<u>\$ 1,515,457</u>	<u>\$ 1,368,993</u>
Maintenance General Plant		
Maintenance substation labor	\$ 53,800	\$ 56,990
Maintenance overhead line labor	720	7,215
Maintenance meter labor	16,092	40,568
Street light signal labor	1,651	3,326
City projects labor	2,720	2,048
General plant labor	84,402	109,006
Uniforms	3,646	4,122
Training/meeting/travel	230	-
Safety equipment	663	1,054
Telephone expense	433	104
Office supplies	125	14
Repairs	1,079	1,694
Plant expenses/maintenance	961	-
Miscellaneous equipment	683	2,271
Structures and improvements	2,677	21,094
Miscellaneous equipment maintenance	427	3,736
Miscellaneous building expenses	7,875	12,322
Materials and supplies	6,577	6,224
Rentals	270	270
	<u>\$ 185,031</u>	<u>\$ 272,058</u>
Fringe Benefits		
Social security expense	\$ 121,634	\$ 108,000
Medical and dental benefits	422,594	420,804
Lager benefits	221,976	213,762
Life insurance benefits	1,725	1,306
Wellness benefit	12,025	10,849
Clothing allowance	3,208	2,850
Unemployment benefit	-	686
	<u>\$ 783,162</u>	<u>\$ 758,257</u>

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Other Administrative Costs		
Uncollectible accounts expense	\$ 86,118	\$ 314,300
Vacation and personal and sick leave expense	14,258	1,813
Sick leave expense	4,012	-
	<u>\$ 104,388</u>	<u>\$ 316,113</u>
Depreciation	<u>\$ 1,100,211</u>	<u>\$ 891,631</u>
Total Operating Expenses	<u><u>\$ 26,039,544</u></u>	<u><u>\$ 26,042,689</u></u>

City of Hannibal, Missouri
Board of Public Works
Water Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2011 and 2010

	2011	2010
Superintendent and Supervisors		
Administrative salaries	\$ 56,375	\$ 56,276
Customer accounts supervisor labor	12,679	12,792
Operating supervisor engineering labor	33,137	31,297
Maintenance supervisor engineering labor	27,831	28,107
	<u>\$ 130,022</u>	<u>\$ 128,472</u>
Administrative		
Salaries	\$ 40,650	\$ 35,991
Drug Testing	499	-
Outside service fees	36,492	450
Office supplies and expense	-	2,032
Outside service fees - audit	4,069	4,096
Outside service fees - legal	7,549	3,323
Board member salaries	2,350	2,400
Structures and improvements	332	114
Training/meetings/travel	4,857	2,464
New hire expense	-	2,076
Office supplies and expense	4,454	3,036
Telephone	6,195	6,136
Office furniture and equipment	125	-
Prepaid insurance	84,262	110,123
Economic development	11,250	11,000
Miscellaneous - load promotion	263	250
Advertising	7,050	5,581
Safety incentives	586	287
Railroad permits	81	81
Employee physicals and vaccines	179	215
	<u>\$ 211,243</u>	<u>\$ 189,655</u>
SCADA/Information Systems		
Salaries- Info. systems	\$ 24,785	\$ 15,146
Safety Programs	\$ 1,971	
Contract outside services	2,699	3,420
Training/meetings/travel	1,613	21
Office supplies	169	15
Phone/airtime charges	86	124
Hardware	2,342	4,146
Software	(1,301)	9,635
Maintenance	27,163	20,030
Salaries - SCADA	58,041	65,159
Outside service fees	-	1,936
Office supplies and expense	172	658
Office equipment & furniture	213	64
Training/meetings/travel	1,233	149
Safety equipment/meals	131	340
Office furniture and equipment	5	8
Office supplies and expense	-	67
Transportation	966	393
Advertising	15	-
	<u>\$ 120,303</u>	<u>\$ 121,311</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Customer Accounts		
Customer accounts wages	\$ 44,468	\$ 45,336
Janitorial services	2,974	2,740
Customer accounts and records - contract services	1,945	1,719
Training/meeting/travel	1,417	772
Customer accounts and records - postage	14,879	15,432
Miscellaneous	107	6
MO sales tax payable	69,624	70,139
Primacy fee	19,992	20,180
Collectors office expense	7,331	7,841
In lieu of franchise tax	195,870	193,582
	<u>\$ 358,607</u>	<u>\$ 357,747</u>
Meter Reading		
Meter reading labor	\$ 42,205	\$ 33,774
Uniform services	1,355	1,329
	<u>\$ 43,560</u>	<u>\$ 35,103</u>
Maintenance General Plant		
Maintenance pumping labor	\$ 8,697	\$ 16,045
General plant expenses - uniforms	1,781	2,061
Training/travel	115	-
Safety equipment and meals	170	-
General plant expenses - repairs	539	791
General plant expenses-maintenance	160	-
Office supplies	216	7
Miscellaneous equipment	139	1,135
General plant expenses - buildings	3,851	6,149
Structures and improvements	1,339	3,362
Miscellaneous equipment maintenance	214	1,870
General plant expenses	203	-
Telephone	62	52
Materials and supplies	3,408	3,045
General plant expenses - rentals	135	135
	<u>\$ 49,708</u>	<u>\$ 68,509</u>
Water Distribution		
Maintenance water distribution labor	\$ 179,468	\$ 189,438
Maintenance pumping labor	1,315	1,417
Purification plant labor	3,386	963
General plant labor	13,483	14,062
Services labor	(172)	5,375
Metering labor	7,740	14,505
Buildings and ground maintenance	1,363	1,104
City projects labor	120	-
Maintenance storage tanks	8,451	11,977
Maintenance distribution mains	159,250	170,849
Maintenance services	3,008	28,234
Uniform services	2,039	1,821

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Water Distribution (Concluded)		
Meter testing	2,459	557
New construction	-	7,472
Engineering/consulting	5,952	-
Training/meeting/travel	4,151	1,342
Safety equipment/meals	3,999	5,120
Postage/office supplies	992	370
Dig rights	791	718
Equipment maintenance	8,670	2,672
Communication equipment	3,317	259
Miscellaneous equipment	15,700	17,368
Transportation expense	35,556	25,575
Materials and supplies	122,916	136,999
Small tools and equipment	13,968	-
Memberships and dues	3,134	3,759
Cell phones and mobiles	1,493	1,698
	<u>\$ 602,549</u>	<u>\$ 583,360</u>
Water Treatment		
Purification supervision	\$ 52,094	\$ 48,975
Purification operating labor supervision	240,964	229,266
Uniform services/testing	5,458	4,689
Equipment maintenance	27,342	15,602
Training/meeting/travel	957	2,895
Safety equipment/meals	1,430	1,747
Office supplies	107	823
Utilities/phone	5,721	6,135
Equipment maintenance	8,705	5,053
Small equipment purchases	1,627	6,027
Structure maintenance	1,340	1,346
Copper sulfate	3,415	3,165
Chlorine	26,989	20,798
Lime	40,434	38,026
Aluminum	264,620	244,299
Fluoride	13,232	12,556
Carbon	136,695	148,653
Coag aid	14,887	11,565
Raw water polymer	6,488	8,064
Materials and supplies	3,565	17,164
Permit/license fees	-	1,421
Purification lab supplies	12,011	13,776
Purchased power	93,651	94,383
	<u>\$ 961,732</u>	<u>\$ 936,428</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Water Pumping		
Maintenance pumping equipment	777	13,764
Materials and supplies	246	284
Lawn maintenance	346	408
Purchased power	192,427	178,624
	<u>\$ 193,796</u>	<u>\$ 193,080</u>
Fringe Benefits		
FICA/Medicare	\$ 65,129	\$ 65,639
Medical/dental benefits	299,989	303,025
Lagers benefit	139,957	133,597
Life insurance benefit	881	799
Wellness benefit	1,895	1,271
Clothing allowance	1,495	1,950
	<u>\$ 509,346</u>	<u>\$ 506,281</u>
Other Administrative Costs		
Uncollectible expense	\$ 16,783	\$ 25,519
Vacation and personal and sick leave expense	34,375	30,863
	<u>\$ 51,158</u>	<u>\$ 56,382</u>
Depreciation	<u>\$ 568,979</u>	<u>\$ 546,082</u>
Total Operating Expenses	<u><u>\$ 3,801,003</u></u>	<u><u>\$ 3,779,549</u></u>

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Superintendent and Supervisors		
Salaries	\$ 56,221	\$ 56,276
Customer accounts sup labor	12,679	12,792
Operating supervisor engineering labor	33,137	31,297
Maintenance supervisor engineering labor	27,831	28,107
	<u>\$ 129,868</u>	<u>\$ 128,472</u>
Administrative		
Salaries	\$ 40,650	\$ 35,991
Drug testing	499	450
Outside Contracted Services	5,876	-
Office supplies and expense	-	2,032
Outside service fee - audit	4,069	4,096
Outside service fee - legal	7,549	3,323
Board member salaries	2,350	2,400
Structures and improvements	332	114
Training/meetings/travel	4,894	2,464
New hire expense	-	2,076
Office supplies and expense	4,083	3,036
Telephone	6,194	6,136
Prepaid insurance	101,997	113,536
Economic development	11,250	11,250
Public Relations/Load Promotion	263	-
Advertising	5,309	3,705
Safety incentives	586	287
Small equipment	125	-
Railroad permits	1,218	170
Employee physicals and vaccines	737	765
	<u>\$ 197,981</u>	<u>\$ 191,831</u>
SCADA/Information Systems		
Salaries-Info. Systems	\$ 24,785	\$ 15,146
Contract outside services	2,699	3,420
Training/meetings/travel	1,613	21
Phone/airtime charges	86	124
Hardware	2,331	4,146
Software	(1,301)	9,634
Maintenance of hardware	27,163	20,453
Salaries	58,041	65,159
Office supplies and expense	341	658
Office equipment & furniture	214	64
Training/meeting/travel	1,233	149
Safety equipment/meals	131	339
Small equipment	5	7
Office supplies and expense	-	82
Transportation	967	393
Advertising	15	-
Safety programs	1,971	1,935
	<u>\$ 120,294</u>	<u>\$ 121,730</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Customer Accounts		
Customer accounts wages	\$ 44,468	\$ 45,336
Janitorial services	2,974	2,740
Outside contracted services	1,945	1,719
Training/meeting/travel	1,417	772
Postage	14,594	15,432
Miscellaneous	107	6
Sewer connect fees	-	8,218
Collectors office expense	7,331	7,841
In lieu of franchise tax	174,671	173,439
	<u>\$ 247,507</u>	<u>\$ 255,503</u>
Meter Reading		
Meter reading labor	\$ 42,205	\$ 33,774
Maintenance General Plant		
Lift station	\$ 19,514	\$ 33,585
WWTP labor	52,996	38,553
Uniforms	1,781	2,061
Training/meetings	115	-
General plant repairs	539	791
Telephone	62	52
Safety Equipment.Meals	121	-
Office supplies	216	7
Miscellaneous equipment	139	1,135
Building expenses	3,851	6,149
Structures and improvement	1,338	3,362
Miscellaneous equipment maintenance	577	1,870
Materials and supplies	3,419	3,039
Rental expense	135	135
	<u>\$ 84,803</u>	<u>\$ 90,739</u>
Sewer Collection		
Maintenance sewer collect labor	\$ 203,784	\$ 206,406
Interdepartmental labor	14,197	36,299
City projects labor	-	100
WWTP labor	1,497	201
General plant labor	14,671	8,504
Lift station labor	-	20
Sanitary sewers	515	-
Lift stations	9,284	16,034
Uniforms	2,339	2,068
Storm sewer labor	542	522
New construction	8,607	-
Legal Services	4,620	-
Collection mains	72,140	33,536
Engineering/consulting	44,883	-
Safety equipment/meals	3,174	5,005
Maintenance tools and equipment	8,112	3,027
Training.Meetings/Travel	397	-
Postage/Printing/Office Supplies	198	-

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Sewer Collection (Concluded)		
Small tools and equipment	14,321	35,369
Communication Equipment	2,922	-
Lift station equipment	3,764	22,243
Transportation	50,955	46,853
Right of ways	95	95
Material and supplies	41,127	23,867
Dig rights	791	718
CDL license fees	50	-
Sewer expenses	-	97
Maintenance of mobile radios	803	966
Maintenance lift stations	1,523	10,559
Maintenance Bear Creek Dam	5,540	7,064
Maintenance storm sewers	36,042	17,815
	<u>\$ 546,893</u>	<u>\$ 165,646</u>
Sewer Treatment		
Supervision WWTP	\$ 50,606	\$ 52,244
Operation WWTP labor	236,366	224,903
Engineering services	26,680	40,627
Uniforms	19,571	19,480
Maintenance equipment	29,829	45,022
Maintenance structure	6,525	5,334
Lift station maintenance	1,416	132
Bio-Solids	21,000	20,690
Structures and improvements	-	-
Training/meeting/travel	2,085	3,452
Safety equipment/meals	2,474	1,302
Postage	851	813
Telephone	3,501	3,417
Maintenance equipment	19,752	13,469
Communication equipment	-	656
Miscellaneous equipment purchases	2,222	6,052
Transportation	8,440	6,548
Miscellaneous supplies and expense	841	429
Chlorine	8,898	6,033
Liquid oxygen	16,079	23,836
Polymer	16,992	27,387
Materials and supplies	9,138	10,941
Lab supplies and expense	11,325	8,585
MO fertilizer sales expense	100	100
CDL license fees	-	50
Operating lift stations - electric	19,782	22,361
WWTP purchased power	293,142	290,868
Water purchased WWTP	7,499	5,911
	<u>\$ 815,114</u>	<u>\$ 840,642</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Fringe Benefits		
FICA/Medicare	\$ 70,275	\$ 69,982
Medical/Dental benefits	296,309	293,269
Lagers benefit	147,475	142,289
Life insurance benefit	888	799
Wellness benefit	4,055	3,129
Clothing allowance	1,685	2,250
	<u>\$ 520,687</u>	<u>\$ 511,718</u>
Other Administrative Costs		
Uncollectible expense	\$ 18,809	\$ 25,715
Vacation and personal and sick leave expense	(37,873)	16,452
	<u>\$ (19,064)</u>	<u>\$ 42,167</u>
Depreciation	<u>\$ 756,081</u>	<u>\$ 748,908</u>
Total Operating Expenses	<u>\$ 3,442,369</u>	<u>\$ 3,487,458</u>

Supplementary Schedules

City of Hannibal, Missouri
Board of Public Works
Electric Department
Plant Assets and Depreciation Schedule
Year Ended June 30, 2011

	Cost 6/30/2010	Additions	Retirements and Other	Cost 6/30/2011	Accumulated Depreciation 6/30/2010	Depreciation for the Year	Retirements	Accumulated Depreciation 6/30/2011
Land and land rights	\$ 20,062	\$ -	\$ -	\$ 20,062	\$ -	\$ -	\$ -	\$ -
Clearing land & right of way	1,627	1,015	-	2,642	-	-	-	-
Structures & improvements	33,973	-	-	33,973	28,975	-	-	28,975
Station equipment	1,165,670	-	-	1,165,670	806,046	625	-	806,671
Transmission towers & fixtures	78,953	-	-	78,953	78,953	25,156	-	104,109
Poles & fixtures	604,015	-	-	604,015	565,167	-	-	565,167
Overhead conduit & device	471,843	-	-	471,843	471,310	3,797	-	475,107
Underground conduit & device	200	-	-	200	200	89	-	289
Road	9,523	-	-	9,523	6,904	-	-	6,904
Land and land rights	99,193	-	-	99,193	-	476	-	476
Plant structure & improvements	38,637	-	-	38,637	38,637	-	-	38,637
Station equipment	7,137,169	-	-	7,137,169	3,067,788	364,238	-	3,432,026
161 kV transmission line	9,155,576	-	-	9,155,576	-	228,890	-	228,890
Poles, towers & fixtures	2,019,503	-	-	2,019,503	1,362,516	72,808	-	1,435,324
Overhead conduit & device	2,082,446	-	-	2,082,446	1,505,679	80,952	-	1,586,631
Underground conduit	30,725	-	-	30,725	13,656	1,477	-	15,133
Underground conduit & device	180,432	-	-	180,432	132,886	8,252	-	141,138
Line transformers	1,547,969	-	-	1,547,969	1,265,483	38,542	-	1,304,025
Services	333,839	-	-	333,839	288,455	7,231	-	295,686
Meters	3,037,490	-	-	3,037,490	610,499	164,771	-	775,270
Install on customer premise	3,225	-	-	3,225	2,257	323	-	2,580
Leased property	2,227	-	-	2,227	1,604	111	-	1,715
Street Light & Signal	956,424	-	-	956,424	697,279	29,019	-	726,298
Structures & Improvements	1,039,364	-	-	1,039,364	999,998	2,626	-	1,002,624
Office furniture & equipment	534,136	21,196	171,184	384,149	421,231	21,977	171,184	272,024
Transportation	916,092	154,344	-	1,070,436	741,726	42,721	-	784,447
Tools - shop & garage	36,520	18,691	-	55,211	32,757	837	-	33,594
Power operated equipment	7,551	-	-	7,551	7,551	-	-	7,551
Communication equipment	35,145	9,271	16,376	28,040	21,124	1,938	16,376	6,686
Miscellaneous equipment	93,844	-	-	93,844	78,683	3,355	-	82,038
Total Utility Plant in Service	\$ 31,673,373	\$ 204,517	\$ 187,560	\$ 31,690,331	\$ 13,247,364	\$ 1,100,211	\$ 187,560	\$ 14,160,015
Construction in Progress	118,496	146,853	1,014	264,335	-	-	-	-
Total Utility Plant	\$ 31,791,869	\$ 351,370	\$ 188,574	\$ 31,954,666	\$ 13,247,364	\$ 1,100,211	\$ 187,560	\$ 14,160,015

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, 2011

	<u>Cost</u> <u>6/30/2010</u>	<u>Additions</u>	<u>Retirements</u> <u>and Other</u>	<u>Cost</u> <u>6/30/2011</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6/30/2010</u>	<u>Depreciation</u> <u>for the Year</u>	<u>Retirements</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6/30/2011</u>
Land	\$ 108,675	\$ -	\$ -	\$ 108,675	\$ -	\$ -	\$ -	\$ -
Purification Plan:								
Filtration Plan	8,304,233	4,035	-	8,308,268	2,658,618	167,570	-	2,826,188
Pumping Plant:								
Pumping plant and equipment	2,434,647	-	-	2,434,647	538,854	54,590	-	593,444
Distribution Plant:								
Reservoir	3,975,605	-	-	3,975,605	466,223	39,733	-	505,956
Booster stations	521,778	-	-	521,778	306,129	17,450	-	323,579
Distribution mains	7,948,735	223,940	-	8,172,675	1,976,436	105,020	-	2,081,456
Structures	385,297	-	-	385,297	231,417	32,214	-	263,631
Meters	1,618,318	-	-	1,618,318	347,276	88,294	-	435,570
Services	721,047	-	-	721,047	500,229	10,305	-	510,534
Hydrants	610,408	-	-	610,408	403,901	15,570	-	419,471
Transportation equipment	313,672	1,209	-	314,881	218,491	13,281	-	231,772
Tools and equipment	188,594	-	-	188,594	136,427	10,317	-	146,744
Other equipment	54,527	-	-	54,527	41,181	2,544	-	43,725
	<u>\$ 27,185,536</u>	<u>\$ 229,184</u>	<u>\$ -</u>	<u>\$ 27,414,720</u>	<u>\$ 7,825,182</u>	<u>\$ 556,888</u>	<u>\$ -</u>	<u>\$ 8,382,070</u>
General Plant:								
Office equipment	\$ 224,129	\$ 9,040	\$ 42,053	\$ 191,116	\$ 178,985	\$ 9,478	\$ 42,053	\$ 146,410
Communication equipment	14,701	4,825	5,652	13,874	10,726	753	5,652	5,827
Structures and improvements	175,147	-	-	175,147	162,323	1,859	-	164,182
	<u>\$ 413,977</u>	<u>\$ 13,865</u>	<u>\$ 47,705</u>	<u>\$ 380,137</u>	<u>\$ 352,034</u>	<u>\$ 12,090</u>	<u>\$ 47,705</u>	<u>\$ 316,419</u>
Total Utility Plant In Service	<u>\$ 27,599,513</u>	<u>\$ 243,049</u>	<u>\$ 47,705</u>	<u>\$ 27,794,857</u>	<u>\$ 8,177,216</u>	<u>\$ 568,978</u>	<u>\$ 47,705</u>	<u>\$ 8,698,489</u>
Construction in Progress	14,221	235,607	223,940	25,888	-	-	-	-
Total Utility Plant	<u>\$ 27,613,734</u>	<u>\$ 478,656</u>	<u>\$ 271,645</u>	<u>\$ 27,820,745</u>	<u>\$ 8,177,216</u>	<u>\$ 568,978</u>	<u>\$ 47,705</u>	<u>\$ 8,698,489</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, 2011

	<u>Cost</u> <u>6/30/2010</u>	<u>Additions</u>	<u>Retirements</u> <u>and Other</u>	<u>Cost</u> <u>6/30/2011</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6/30/2010</u>	<u>Depreciation</u> <u>for the Year</u>	<u>Retirements</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6/30/2011</u>
Land and land rights	\$ 518,543	\$ -	\$ -	\$ 518,543	\$ -	\$ -	\$ -	\$ -
Treatment plant	17,238,886	-	-	17,238,886	10,017,619	419,381	-	10,437,000
Storm sewers	250,454	-	-	250,454	82,672	5,009	-	87,681
Sanitary sewers	8,772,785	128,655	-	8,901,440	4,388,996	179,714	-	4,568,710
Sewer connections	1,387,905	-	-	1,387,905	284,282	68,922	-	353,204
Office furniture and equipment	293,284	9,040	39,624	262,700	259,317	8,535	39,624	228,228
Transportation equipment	440,400	45,015	-	485,415	182,698	33,152	-	215,850
Tools and equipment	122,206	-	-	122,206	113,093	2,074	-	115,167
Office building and improvement	114,042	-	-	114,042	64,989	1,325	-	66,314
Laboratory equipment	23,423	-	-	23,423	22,738	685	-	23,423
Communication equipment	45,116	8,154	5,708	47,562	7,293	3,941	5,708	5,526
Other equipment	500,249	-	-	500,249	354,862	30,697	-	385,559
Structures	37,737	-	-	37,737	7,937	2,646	-	10,583
Total Utility Plant in Service	\$ 29,745,030	\$ 190,864	\$ 45,332	\$ 29,890,562	\$ 15,786,496	\$ 756,081	\$ 45,332	\$ 16,497,245
Construction in Progress	121,081	22,150	128,656	14,575	-	-	-	-
Total Utility Plant	\$ 29,866,111	\$ 213,014	\$ 173,988	\$ 29,905,137	\$ 15,786,496	\$ 756,081	\$ 45,332	\$ 16,497,245

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

City of Hannibal, Missouri
Board of Public Works
Schedule of Investments
June 30, 2011

Description	Interest Rate	Maturity Date	Book Value	Market Value
Electric				
Unrestricted Temporary Cash Investments:				
F&M Bank and Trust Co - Certificate of Deposit	0.55%	8/25/2011	\$ 1,000,000	\$ 1,000,000
F&M Bank and Trust Co - Certificate of Deposit	0.55%	9/29/2011	533,062	533,062
F&M Bank and Trust Co - Certificate of Deposit	0.55%	10/20/2011	1,307,674	1,307,674
F&M Bank and Trust Co - Certificate of Deposit	0.55%	12/29/2011	624,760	624,760
Greath Southern Bank	0.71%	11/30/2011	245,806	245,806
Palmyra State Bank	0.75%	7/1/2011	250,000	250,000
HNB	0.75%	9/1/2011	503,240	503,240
Total Unrestricted Temporary Cash Investments			<u>\$ 4,464,542</u>	<u>\$ 4,464,542</u>
Water				
Unrestricted Temporary Cash Investments:				
Bank of New York Mellon Trust Company N.A.			<u>\$ 1,049,675</u>	<u>\$ 1,049,675</u>
Restricted Investments				
Sewer				
Debt Service Reserve:				
Money Market Funds - UMB Bank			<u>\$ 280,731</u>	<u>\$ 280,731</u>
Total Restricted Investments			<u>\$ 280,731</u>	<u>280,731</u>
Total Investments			<u><u>\$ 5,794,948</u></u>	<u><u>\$ 5,794,948</u></u>

Comparative Statement
of Operating Factors

City of Hannibal, Missouri
Board of Public Works
Electric Department
Comparative Statement of Operating Factors
Years Ended June 30, 2011 and 2010

	<u>Unit</u>	<u>2011</u>	<u>2010</u>
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		50.78	51.26
Maximum peak load operation	KW	59,219	56,237
Investment per capita	\$	1,799.55	1,790.39
Total revenue per \$100.00 investment	\$	84.85	81.05
Ratio of total operation expense to total operating revenue	%	96.04%	97.45%
Operating profit (loss) per \$100.00 investment	\$	3.36	2.07
Total purchased power cost per kWh	\$	0.0700	0.0699
Average price received per kWh sold	\$	0.1006	0.0994
Operating profit (loss) per kWh sold	\$	0.0040	0.0025
Average residential use	kWh	10,781	10,643
Total kWh purchased	kWh	275,682,308	265,469,491
Total kWh sold	kWh	269,503,073	259,205,635
Customers at end of year:			
Residential		7,709	7,809
Commercial		1,175	1,157
Industrial		133	127
		<u>9,017</u>	<u>9,093</u>

City of Hannibal, Missouri
Board of Public Works
Water Department
Comparative Statement of Operating Factors
Years Ended June 30, 2011 and 2010

	<u>Unit</u>	<u>2011</u>	<u>2010</u>
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		44.64	42.86
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	2,982,658	2,810,120
Investment per 1,000 gallons sold	\$	28.71	26.92
Investment per capita	\$	1,566.75	1,555.09
Total Revenue per \$100.00 investment	\$	15.18	15.14
Ratio of operating expenses to operating revenue	%	90.02%	90.48%
Operating profit (loss) per \$100.00 investment	\$	1.51	1.44
Average price received per 1,000 gallons	\$	4.09	3.83
Average cost per 1,000 gallons	\$	3.92	3.69
Customers at end of year:			
Residential		6,697	6,748
Commercial		829	835
Industrial		24	24
Other public authorities		3	3
		<u>7,553</u>	<u>7,610</u>
Consumption for year:			
Residential	Gallon	41,254,020	41,573,070
Commercial	Gallon	15,967,600	15,319,640
Industrial	Gallon	18,653,490	19,770,580
Other public authorities	Gallon	16,137,060	15,824,020
Interdepartmental	Gallon	210,780	166,600
Non-Revenue services	Gallon	119,130	99,860
Filtration plant - washing filter, filling basins, etc.	Gallon	111,345,917	109,483,340
City use (Fires, street cleaning, etc.) and lost water	Gallon	12,700,500	10,159,000
Total gallons received from pumping station/filtered		<u>216,388,497</u>	<u>212,396,110</u>

City of Hannibal, Missouri
Board of Public Works
Sewer Department
Comparative Statement of Operating Factors
Years Ended June 30, 2011 and 2010

	<u>Unit</u>	<u>2011</u>	<u>2010</u>
Population served per 2000 Census		17,757	17,757
Number of customers per 100 population		42.77	42.99
Investment per capita	\$	1,684.13	1,681.93
Total revenue per \$100.00 investment	\$	12.09	12.06
Ratio of total operation expense to total operating revenue	%	95.24%	95.55%
Operating profit (loss) per \$100.00 investment	\$	0.58	0.54
Total treatment cost per million gallons	\$	3,256.18	3,356.61
Average price received per million gallons treated	\$	3,258.31	3,347.31
Operating profit (loss) per million gallons treated	\$	162.81	156.42
Total gallons treated	Gallons	1,057,180,000	1,056,870,000
Total gallons from water plant	Gallons	1,703,180,000	1,674,980,000
Customers at end of year:			
Residential		6,807	6,838
Commercial		768	775
Industrial		19	19
		<u>7,594</u>	<u>7,632</u>