

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2022

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**AUDITED FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the City of Hannibal Board of Public Works (the HBPW) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the HBPW's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the HBPW as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the HBPW, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The financial statements present only the HBPW and do not purport to, and do not present fairly the financial position of the City of Hannibal as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the HBPW's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the HBPW's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the HBPW's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the pension and OPEB plan schedules as listed in the accompanying table of contents be presented to supplement the financial statements. Such information is the responsibility of management, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the HBPW's financial statements. The Capital Assets Schedules, Schedule of Investments, and Schedule of Top Ten Utility Customers are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Comparative Statements of Operating Factors. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

William F. Keepers UC

Columbia, Missouri
November 30, 2022

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction

The Hannibal Board of Public Works of Hannibal, Missouri (the “HBPW”) is a municipally owned utility of the City of Hannibal, Missouri (the “City”). The HBPW is comprised of the Electric, Water, Sewer and Stormwater funds, serving approximately 8,800 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, 2022. This analysis should be read in conjunction with the financial statements and notes.

Financial Highlights

- The assets and deferred outflows of resources of HBPW exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2022, by \$80,604,779 (net position). Of this amount, \$26,534,889 (unrestricted net position) may be used to meet the HBPW’s ongoing obligations to citizens and creditors.
- The HBPW’s total net position increased by \$6,895,429 for the year ended June 30, 2022. The increase in net position can be attributed to the Electric Fund, which increased by \$5,665,954; the Water Fund, which increased by \$452,344; the Sewer Fund, which increased by \$826,907; offset by the Stormwater Fund, which decreased by \$49,776. The change in net position in the Electric Fund increased by \$4,143,488 (272%) from the prior year, which was primarily due to lower purchased power costs and a \$1.8M gain recognized on the sale of ten diesel generators during the year ended June 30, 2022.
- Bond and lease principal payments made during the year totaled \$6,222,121, which included the early payoff of the outstanding lease/purchase agreement in the Electric Fund (for the diesel generators that were sold in the current year). The Electric Fund added additional debt totaling \$11,000,000 during the year. The total principal due on the HBPW’s long-term debt increased by \$6,303,871 for the year ended June 30, 2022.
- Electric, water, and sewer rates were unchanged from the prior year.

Overview of the Financial Statements

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

Fund Financial Statements

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

Notes to Financial Statements

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

Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>
Assets		
Current	\$ 43,101,645	\$ 28,083,241
Net capital assets	75,801,434	77,356,090
Other assets	3,009,774	4,401,187
Total assets	<u>\$ 121,912,853</u>	<u>\$ 109,840,518</u>
Deferred outflows of resources	<u>\$ 660,498</u>	<u>\$ 805,148</u>
Liabilities		
Current	\$ 5,970,389	\$ 7,971,440
Long-term	34,315,099	25,193,385
Total liabilities	<u>\$ 40,285,488</u>	<u>\$ 33,164,825</u>
Deferred inflows of resources	<u>\$ 1,683,084</u>	<u>\$ 3,771,491</u>
Net Position		
Net investment in capital assets	\$ 41,690,291	\$ 49,548,818
Restricted	12,379,599	3,134,764
Unrestricted	26,534,889	21,025,768
Total net position	<u>\$ 80,604,779</u>	<u>\$ 73,709,350</u>

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

	<u>2022</u>	<u>2021</u>
Operating revenues	\$ 34,909,175	\$ 34,127,697
Less: operating expenses	<u>(29,519,772)</u>	<u>(31,005,037)</u>
Total operating income	<u>\$ 5,389,403</u>	<u>\$ 3,122,660</u>
Non-operating revenues and expenses:		
Interest income	\$ 243,177	\$ 242,385
Interest expense	(768,167)	(919,414)
Other items, net	<u>2,031,016</u>	<u>469,751</u>
Total non-operating income (loss)	<u>\$ 1,506,026</u>	<u>\$ (207,278)</u>
Increase in net position	\$ 6,895,429	\$ 2,915,382
Net position at beginning of period	<u>73,709,350</u>	<u>70,793,968</u>
Net position at end of period	<u>\$ 80,604,779</u>	<u>\$ 73,709,350</u>

The HBPW's most significant revenue in 2022 was charges for services of \$34,909,175.

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Electric Fund	\$ 23,251,628	\$ 22,860,473
Water Fund	6,175,222	6,032,421
Sewer Fund	<u>5,482,325</u>	<u>5,234,803</u>
Total	<u>\$ 34,909,175</u>	<u>\$ 34,127,697</u>

The HBPW's most significant expenses in 2022 were purchased power of \$12,761,141 and salary and wages of \$5,012,719.

	<u>2022</u>	<u>2021</u>
Operating expenses:		
Electric Fund	\$ 19,608,309	\$ 21,719,037
Water Fund	5,302,008	4,643,261
Sewer Fund	4,593,208	4,539,059
Stormwater Fund	<u>16,247</u>	<u>103,680</u>
Total	<u>\$ 29,519,772</u>	<u>\$ 31,005,037</u>

Property, Plant and Equipment

At the end of fiscal year 2022, the HBPW's total property, plant and equipment was \$75,801,434, net of accumulated depreciation.

OPERATING RESULTS

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

Retail electric revenues were \$22,949,153 for the current year compared to \$22,542,135 for the prior year, an increase of 1.81%.

Retail water revenues were \$6,061,552 for the current year compared to \$5,976,223 for the prior year, an increase of 1.43%.

Retail sewer revenues were \$5,404,985 for the current year compared to \$5,190,208 for the prior year, an increase of 4.14%.

There were no retail stormwater revenues for the current or prior year. The City's stormwater system consists of both above- and under-ground infrastructure. Since the 1960s, the City's Public Works Department had been maintaining the above-ground stormwater system and the HBPW had been maintaining the under-ground stormwater system. In June 2017, the City Council passed a resolution authorizing the HBPW to implement a stormwater utility and a comprehensive stormwater repair program. A funding source was not established at that time, and one currently does not exist.

As required by the City Charter, the HBPW pays a percentage of its revenues into the City's General Fund. In addition to this transfer, the HBPW provides other benefits to the City and the 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 \$1,849,265 were paid to the City in 2022. The HBPW remains financially sound at the conclusion of fiscal year 2022. 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 its customers.

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

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**STATEMENT OF NET POSITION
June 30, 2022**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 5,110,010	\$ 4,232,992	\$ 4,772,025	\$ -	\$ 9,503	\$ 14,124,530
Restricted cash	10,845,666	557,951	38,499	-	-	11,442,116
Investments	10,889,186	-	120,000	-	-	11,009,186
Accounts receivable (net of allowance of \$100,000)	1,569,118	365,792	382,607	-	9,511	2,327,028
Other receivables	1,067,068	5,971	9,125	-	-	1,082,164
Inventory	1,666,874	782,320	51,687	-	-	2,500,881
Prepaid expenses	307,870	153,935	153,935	-	-	615,740
Interfund balances	2,036,678	-	-	(2,036,678)	-	-
Total current assets	33,492,470	6,098,961	5,527,878	(2,036,678)	19,014	43,101,645
Non-current assets:						
Capital assets, net of accumulated depreciation	19,660,033	39,788,613	15,246,903	1,105,885	-	75,801,434
Investment in land/water rights	505,055	1,500,000	-	-	-	2,005,055
Investment in Prairie State, net	67,236	-	-	-	-	67,236
Net pension asset	468,739	234,372	234,372	-	-	937,483
Total non-current assets	20,701,063	41,522,985	15,481,275	1,105,885	-	78,811,208
Total assets	54,193,533	47,621,946	21,009,153	(930,793)	19,014	121,912,853
DEFERRED OUTFLOWS OF RESOURCES						
Pension plan	168,998	84,498	84,498	-	-	337,994
OPEB plan	160,982	80,761	80,761	-	-	322,504
Total deferred outflows of resources	329,980	165,259	165,259	-	-	660,498
LIABILITIES						
Current liabilities:						
Accounts payable	2,061,823	209,287	144,092	-	15,672	2,430,874
Accrued interest	91,326	90,470	5,650	27,717	-	215,163
Other accrued expenses	72,758	35,231	26,704	-	-	134,693
Compensated absences	666,637	290,941	230,398	-	-	1,187,976
Customer deposits	542,414	101,183	109,530	-	-	753,127
Current portion of long-term debt	295,583	941,690	11,283	-	-	1,248,556
Total current liabilities	3,730,541	1,668,802	527,657	27,717	15,672	5,970,389
Non-current liabilities:						
Long-term debt, net of current portion	10,759,392	18,214,034	3,889,161	-	-	32,862,587
OPEB liability	726,132	363,190	363,190	-	-	1,452,512
Total non-current liabilities	11,485,524	18,577,224	4,252,351	-	-	34,315,099
Total liabilities	15,216,065	20,246,026	4,780,008	27,717	15,672	40,285,488
DEFERRED INFLOWS OF RESOURCES						
Pension plan	593,921	296,963	296,963	-	-	1,187,847
OPEB plan	247,039	124,099	124,099	-	-	495,237
Total deferred inflows of resources	840,960	421,062	421,062	-	-	1,683,084
NET POSITION						
Net investment in capital assets	8,605,058	20,632,889	11,346,459	1,105,885	-	41,690,291
Restricted for debt service	10,845,666	557,951	38,499	-	-	11,442,116
Restricted for net pension asset	468,739	234,372	234,372	-	-	937,483
Unrestricted	18,547,025	5,694,905	4,354,012	(2,064,395)	3,342	26,534,889
TOTAL NET POSITION	\$ 38,466,488	\$ 27,120,117	\$ 15,973,342	\$ (958,510)	\$ 3,342	\$ 80,604,779

The notes to the financial statements are an integral part of these statements.

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2022**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
OPERATING REVENUES						
Charges for services	\$ 23,251,628	\$ 6,175,222	\$ 5,482,325	\$ -	\$ -	\$ 34,909,175
Total operating revenues	23,251,628	6,175,222	5,482,325	-	-	34,909,175
OPERATING EXPENSES						
Purchased power	12,761,141	-	-	-	-	12,761,141
Purchased services	2,086,249	1,131,389	1,151,639	-	-	4,369,277
Salaries and wages	2,231,792	1,444,544	1,326,680	9,703	-	5,012,719
Employee benefits	785,394	392,870	392,871	5,589	-	1,576,724
Materials and supplies	663,259	1,108,305	478,501	955	-	2,251,020
Depreciation and amortization	1,059,080	1,219,281	1,200,344	-	-	3,478,705
Other operating expenses	21,394	5,619	43,173	-	-	70,186
Total operating expenses	19,608,309	5,302,008	4,593,208	16,247	-	29,519,772
OPERATING INCOME (LOSS)	3,643,319	873,214	889,117	(16,247)	-	5,389,403
NON-OPERATING REVENUES (EXPENSES)						
Gain on the sale of capital assets	1,834,551	-	-	-	-	1,834,551
Investment income	191,348	25,345	26,484	-	-	243,177
Interest expense	(158,498)	(472,071)	(104,069)	(33,529)	-	(768,167)
Rental income	6,620	-	10,000	-	-	16,620
Other non-operating revenues, net	148,614	25,856	5,375	-	-	179,845
Total non-operating revenues (expenses)	2,022,635	(420,870)	(62,210)	(33,529)	-	1,506,026
Change in net position	5,665,954	452,344	826,907	(49,776)	-	6,895,429
Net position, July 1	32,800,534	26,667,773	15,146,435	(908,734)	3,342	73,709,350
NET POSITION, JUNE 30	\$ 38,466,488	\$ 27,120,117	\$ 15,973,342	\$ (958,510)	\$ 3,342	\$ 80,604,779

The notes to the financial statements are an integral part of these statements.

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**STATEMENT OF CASH FLOWS
Year Ended June 30, 2022**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 22,621,857	\$ 6,121,191	\$ 5,435,432	\$ 12,260	\$ 126	\$ 34,190,866
Cash paid to vendors	(14,510,697)	(2,462,027)	(1,682,924)	(1,692)	-	(18,657,340)
Cash paid to employees	(3,468,744)	(2,036,198)	(1,927,116)	(19,987)	-	(7,452,045)
Net cash provided (used) by operating activities	4,642,416	1,622,966	1,825,392	(9,419)	126	8,081,481
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Net change in interfund balances	(302,461)	-	-	302,461	-	-
Net cash provided (used) by noncapital financing activities	(302,461)	-	-	302,461	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of capital assets	(4,477,449)	(223,802)	(193,623)	(259,691)	-	(5,154,565)
Proceeds from the sale of capital assets	5,068,500	-	-	-	-	5,068,500
Proceeds from issuance of long-term debt	11,804,975	-	-	-	-	11,804,975
Payments on long-term debt	(4,372,646)	(1,390,406)	(425,718)	(33,351)	-	(6,222,121)
Net cash provided (used) by capital and related financing activities	8,023,380	(1,614,208)	(619,341)	(293,042)	-	5,496,789
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	191,348	25,345	26,484	-	-	243,177
Investment maturities/sales	(3,216,950)	-	-	-	-	(3,216,950)
Other revenues	155,234	25,856	15,375	-	-	196,465
Net cash provided (used) by investing activities	(2,870,368)	51,201	41,859	-	-	(2,777,308)
Net change in cash and cash equivalents	9,492,967	59,959	1,247,910	-	126	10,800,962
Cash and cash equivalents, beginning of year	6,462,709	4,730,984	3,562,614	-	9,377	14,765,684
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,955,676	\$ 4,790,943	\$ 4,810,524	\$ -	\$ 9,503	\$ 25,566,646
Cash and cash equivalents	\$ 5,110,010	\$ 4,232,992	\$ 4,772,025	\$ -	\$ 9,503	\$ 14,124,530
Restricted cash	10,845,666	557,951	38,499	-	-	11,442,116
Total cash and cash equivalents	\$ 15,955,676	\$ 4,790,943	\$ 4,810,524	\$ -	\$ 9,503	\$ 25,566,646
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 3,643,319	\$ 873,214	\$ 889,117	\$ (16,247)	\$ -	\$ 5,389,403
Adjustments:						
Depreciation and amortization	1,059,080	1,219,281	1,200,344	-	-	3,478,705
(Increase) decrease in assets and deferred outflows of resources:						
Accounts receivable	(1,333)	(43,652)	(32,695)	-	(974)	(78,654)
Inventory	(205,102)	(148,000)	(4,698)	-	-	(357,800)
Prepaid expenses	103,254	(14,058)	(14,058)	-	-	75,138
Other receivables	(641,763)	(3,109)	(6,563)	12,260	-	(639,175)
Net pension asset	693,992	346,994	346,993	-	-	1,387,979
Pension plan	54,158	27,079	27,079	-	-	108,316
OPEB plan	18,124	9,105	9,105	-	-	36,334
Increase (decrease) in liabilities and deferred inflows of resources:						
Accounts payable	1,191,514	(25,547)	35,116	-	1,100	1,202,183
Customer deposits	13,326	(7,270)	(7,635)	-	-	(1,579)
Accrued expenses	(68,321)	(29,109)	(25,971)	(2,251)	-	(125,652)
Compensated absences	9,258	31,449	22,669	(3,181)	-	60,195
OPEB liability	(182,325)	(91,590)	(91,590)	-	-	(365,505)
Pension plan	(1,283,265)	(641,631)	(641,631)	-	-	(2,566,527)
OPEB plan	238,500	119,810	119,810	-	-	478,120
Net cash provided (used) by operating activities	\$ 4,642,416	\$ 1,622,966	\$ 1,825,392	\$ (9,419)	\$ 126	\$ 8,081,481

The notes to the financial statements are an integral part of these statements.

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB 34).

A. Reporting Entity

The City of Hannibal Board of Public Works (the HBPW) is a municipality-owned utility of the City of Hannibal (the City) as provided for in the City Charter. The HBPW provides electric, water, and sewer utilities and stormwater services to the City and its residents.

The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the HBPW that have been determined not to be component units as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* (GASB 61). Based on the criteria of GASB 61, there are no other agencies or entities for which the HBPW has been determined to be financially accountable and, therefore, should be included in the financial statements of the HBPW.

B. Fund Accounting

The HBPW uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The HBPW reports the following funds:

Electric Fund – This fund is used to account for the provision of electrical services to residents and businesses of the City.

Water Fund – This fund is used to account for the provision of water services to residents and businesses of the City.

Sewer Fund – This fund is used to account for the disposal of wastewater and industrial waste for the residents and businesses of the City.

Stormwater Fund – This fund is used to account for the provision of stormwater services to residents and businesses of the City.

Recycling Fund – This fund is used to account for the provision of the City's contracted recycling services to residents and businesses of the City. These services are provided on behalf of the City.

C. Basis of Accounting and Financial Statement Presentation

The financial statements use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Operating income reported in the financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Cash and Cash Equivalents

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

E. Investments

Investments consist of certificates of deposit and U.S. Treasury Bills and are stated at cost as the HBPW intends to hold them to maturity.

F. Accounts Receivable

Accounts receivable result primarily from providing electric, water, and sewer utilities to the City and its residents. Accounts receivable are reported net of an estimated allowance for uncollectible accounts.

G. Inventory

Inventory, which consists of materials and supplies, is stated at cost using the first-in, first-out method.

H. Interfund Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting receivables and payables are classified as “interfund balances” on the statement of net position.

Most of these balances represent a loan from the Electric Fund to the Stormwater Fund for purposes of providing support to the Stormwater Fund until it establishes a funding source. The loan is scheduled to mature during fiscal year 2026; however, a funding source to repay the loan currently does not exist.

I. Capital Assets

Capital assets owned by the HBPW are stated at cost. Contributions of capital assets received from federal, state or local sources are recorded as assets and are stated at fair value upon receipt. Additions, improvements and expenses that significantly extend the useful life of an asset are capitalized.

Depreciation has been provided over the estimated useful lives using the straight-line method beginning when the asset is placed in service, with zero expected salvage value. The estimated useful lives are as follows:

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

J. Investment in Land/Water Rights

In October 2004, the HBPW entered into a sale contract with the Public Water Supply District No. 1 of Ralls County, pursuant to which the HBPW agreed to acquire the right to provide water service to the area described in the sale contract for the amount of \$1,500,000. The cost of acquiring these rights has been capitalized and is reported as an investment in land/water rights on the statement of net position. The HBPW determined this asset was not impaired as of June 30, 2022.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

The HBPW's personnel policy provides its employees with vacation and sick leave in varying amounts. In the event of termination, employees are paid for accumulated vacation and up to 800 hours of accrued sick leave. Compensated absences are accrued in the financial statements when earned.

M. Long-Term Obligations

General long-term obligations consist of the non-current portion of bonds and leases payable and other long-term liabilities. In the financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, if any, are deferred and amortized over the life of the bonds using the straight-line method. Debt issuance costs, if any, include all costs incurred to issue debt and are expensed as incurred.

N. Net Position

In the financial statements, net position is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Sometimes the HBPW will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the HBPW's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

O. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Pensions

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

Q. Subsequent Events

Events that have occurred subsequent to June 30, 2022, have been evaluated through November 30, 2022, which is the date the financial statements were available to be issued.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Missouri State Statutes authorize the HBPW to deposit funds in obligations of the U.S. Treasury, federal agencies and instrumentalities, certificates of deposit, and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The HBPW's deposit policy for custodial credit risk is set by statute. Statutes require that collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are of the same type as authorized for investment by the HBPW, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short-term obligations of the United States.

The HBPW maintains a cash and investment pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. Each fund's portion of this pool is displayed on the statement of net position as cash and cash equivalents or restricted cash in each fund's column.

The HBPW's deposits are categorized to give an indication of the level of custodial risk assumed as of June 30, 2022. Deposits, categorized by level of custodial risk, were as follows as of June 30, 2022:

	Cash and Cash Equivalents	Certificates of Deposit	Total
Bank balance			
Insured by the FDIC	\$ 259,981	\$ 8,810,889	\$ 9,070,870
Collateralized with securities pledged by the financial institution	6,515,743	-	6,515,743
Collateralized with securities held by the pledging financial institutions' trust department or agent but not in the depositor government's name	11,214,516	-	11,214,516
	<u>\$ 17,990,240</u>	<u>\$ 8,810,889</u>	<u>\$ 26,801,129</u>
Carrying value	<u>\$ 16,755,757</u>	<u>\$ 8,810,889</u>	<u>\$ 25,566,646</u>

A reconciliation of cash and cash equivalents as shown on the statement of financial position is as follows:

Cash and cash equivalents	\$ 14,124,530
Restricted cash	11,442,116
	<u>\$ 25,566,646</u>

Investments

The HBPW had the following investments as of June 30, 2022:

	Investment Maturities (in years)			Carrying Value
	Less than 1	1-5	Over 5	
Certificates of deposit	\$ 4,480,000	\$ 5,383,186	\$ -	\$ 9,863,186
U.S. Treasury bills	982,000	164,000	-	1,146,000
	<u>\$ 5,462,000</u>	<u>\$ 5,547,186</u>	<u>\$ -</u>	<u>\$ 11,009,186</u>

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The HBPW does not have a formal interest rate risk policy.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings or investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. State statutes authorize the HBPW to invest in obligations of the U.S. Treasury, federal agencies and instrumentalities, certificates of deposit, and repurchase agreements. The HBPW has no investment policy that would further limit its investment choice but does not allow for investments with maturities over 5 years. As of June 30, 2022, none of the certificates of deposit were rated.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The HBPW places no limit on the amount it may invest in any one issuer.

Custodial risk in investments – For an investment, this is the risk that in the event of the failure of the counterparty, the HBPW will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The HBPW does not have any custodial risk in investments.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	\$ 778,100	\$ 151,637	\$ -	\$ -	\$ 929,737
Construction in progress	5,128,853	3,927,789	-	(1,056,809)	7,999,833
Total capital assets, not being depreciated	<u>5,906,953</u>	<u>4,079,426</u>	<u>-</u>	<u>(1,056,809)</u>	<u>8,929,570</u>
Capital assets, being depreciated:					
Buildings	7,218,206	1,245	-	-	7,219,451
Improvements	10,537	-	-	-	10,537
Infrastructure	104,525,438	-	-	1,022,251	105,547,689
Vehicles and equipment	22,075,855	1,073,894	4,758,468	34,558	18,425,839
Total capital assets, being depreciated	<u>133,830,036</u>	<u>1,075,139</u>	<u>4,758,468</u>	<u>1,056,809</u>	<u>131,203,516</u>
Less accumulated depreciation for:					
Buildings	2,302,341	136,492	-	-	2,438,833
Improvements	10,511	-	-	-	10,511
Infrastructure	45,798,100	2,194,265	-	-	47,992,365
Vehicles and equipment	14,269,947	1,144,515	1,524,519	-	13,889,943
Total accumulated depreciation	<u>62,380,899</u>	<u>3,475,272</u>	<u>1,524,519</u>	<u>-</u>	<u>64,331,652</u>
Total capital assets being depreciated, net	<u>71,449,137</u>	<u>(2,400,133)</u>	<u>3,233,949</u>	<u>1,056,809</u>	<u>66,871,864</u>
Total capital assets, net	<u>\$ 77,356,090</u>	<u>\$ 1,679,293</u>	<u>\$ 3,233,949</u>	<u>\$ -</u>	<u>\$ 75,801,434</u>

Depreciation expense was charged to the HBPW's funds as follows:

Electric Fund	\$ 1,055,647
Water Fund	1,219,281
Sewer Fund	<u>1,200,344</u>
Total depreciation expense	<u>\$ 3,475,272</u>

4. LONG-TERM DEBT

The following is a summary of the HBPW's long-term debt transactions for the year ended June 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due In One Year
Revenue bonds	\$ 24,040,852	\$ -	\$ 1,237,200	\$ 22,803,652	\$ 939,000
Series 2019 - premium	84,674	-	2,605	82,069	2,690
Series 2020 - premium	176,746	-	6,299	170,447	11,283
Certificates of participation	-	11,000,000	-	11,000,000	290,000
Series 2022 - premium	-	54,975	-	54,975	5,583
Financed purchase	3,505,000	-	3,505,000	-	-
Notes payable	-	750,000	750,000	-	-
	<u>\$ 27,807,272</u>	<u>\$ 11,804,975</u>	<u>\$ 5,501,104</u>	<u>\$ 34,111,143</u>	<u>\$ 1,248,556</u>

Revenue Bonds

In November 2013, the HBPW issued \$6,430,000 of Sewerage System Revenue Bonds. The bond proceeds are used to acquire, construct, extend, and improve the sewer system. Debt service payments on the bonds are financed through revenues derived from the operation of the sewer system. In April 2020, the Series 2013 bonds were called and defeased. In July 2020, proceeds of \$4,655,000 were received on the Series 2020 bonds. The HBPW issued these bonds at a premium of \$176,746, which will be amortized over the life of the bonds.

In October 2015, the HBPW issued \$12,960,000 of Waterworks Revenue Bonds. The bond proceeds are used to acquire, construct, improve, and equip drinking water facilities. Debt service payments on the bonds are financed through revenues derived from the operation of the water system.

In April 2019, the HBPW issued \$9,915,000 of Waterworks Revenue Bonds. The bond proceeds are used to acquire, construct, and improve drinking water facilities, including but not limited to, improvements required to remove ammonia from the drinking water treatment process. Debt service payments on the bonds are financed through revenues derived from the operation of the water system. The HBPW issued these bonds at a premium of \$84,674, which will be amortized over the life of the bonds.

The following summarizes the HBPW's revenue bonds:

	Original Amount	Interest Rate	Maturity Date	Balance June 30, 2022
Sewerage System Series 2020	\$ 4,655,000	2.00%-3.00%	7/1/2032	\$ 3,730,000
Waterworks Series 2015	12,960,000	1.23%	7/1/2035	9,463,652
Waterworks Series 2019	9,915,000	3.00%-3.25%	1/1/2044	9,610,000
				<u>\$ 22,803,652</u>

Future principal and interest payments on the HBPW's revenue bonds for the years ending June 30, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 939,000	\$ 309,476	\$ 1,248,476
2024	1,290,000	482,192	1,772,192
2025	1,317,000	454,529	1,771,529
2026	1,352,000	426,306	1,778,306
2027	1,384,000	397,188	1,781,188
2028-2032	7,403,000	1,541,361	8,944,361
2033-2037	5,353,900	880,109	6,234,009
2038-2042	2,605,000	437,106	3,042,106
2043-2044	1,159,752	56,875	1,216,627
	<u>\$ 22,803,652</u>	<u>\$ 4,985,142</u>	<u>\$ 27,788,794</u>

Certificates of Participation

In April 2022, the HBPW issued \$11,000,000 of Certificates of Participation (COPS). The COPS proceeds were/will be used to acquire and construct a new substation, modify an existing substation, and construct two new power lines. The HBPW issued these COPS at a premium of \$54,975, which will be amortized over the life of the COPS. As of June 30, 2022, \$3,296,135 of the COPS proceeds had been expended and capitalized as construction in progress. The COPS have a variable interest rate ranging from 3.25% to 4.00% and are scheduled to mature in April 2047.

Future principal and interest payments on the HBPW's COPS for the years ending June 30, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 290,000	\$ 384,351	\$ 674,351
2024	285,000	391,800	676,800
2025	295,000	380,400	675,400
2026	305,000	368,600	673,600
2027	320,000	356,400	676,400
2028-2032	1,790,000	1,580,200	3,370,200
2033-2037	2,150,000	1,224,569	3,374,569
2038-2042	2,540,000	835,669	3,375,669
2043-2047	3,025,000	346,400	3,371,400
	<u>\$ 11,000,000</u>	<u>\$ 5,868,389</u>	<u>\$ 16,868,389</u>

Financed Purchase

In January 2017, the HBPW entered into a lease/purchase agreement with Commerce Bank. The lease/purchase agreement proceeds were used to acquire and install generators and other utility equipment. The lease/purchase agreement had an interest rate of 2.89% and was originally scheduled to mature in February 2027; however, in July 2021, the generators were sold, and the lease was paid off early.

Notes Payable

In February 2021, the Midwest region, including Texas and Oklahoma, experienced an extended severe cold weather event with daily high temperatures near zero degrees. This event caused natural gas delivery equipment to freeze up and limited the availability of natural gas in a time of very high demand with the extreme cold temperatures. The limitation of natural gas during this event caused natural gas prices to soar, which had the effect of causing electric prices to soar for these few days since the electric industry has become reliant on natural gas generation.

In May 2021, a State of Missouri \$50 million relief fund for municipal utilities who experienced extraordinary natural gas and electric prices during this polar vortex event, named the Municipal Utility Emergency Loan Program (MUELP), was created.

In August 2021, the HBPW received an MUELP loan in an amount not to exceed \$750,000. The loan bears interest at 0% with a payback period of no more than five years. The HBPW paid off the loan in May 2022.

5. COMMITMENTS AND CONTINGENCIES

A. MIRMA

The HBPW is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and workman's compensation. The HBPW participates in the Missouri Intergovernmental Risk Management Association (MIRMA) to cover these risks of losses. MIRMA is a group of local governments which provides a program of self-insurance to its members. The HBPW pays annual premiums to MIRMA based on its payroll. There were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded insurance coverage in any of the past three years.

B. Prairie State Energy Contract

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

The HBPW is a member of MJMEUC, which is a joint municipal utility commission formed under RSMo 393.700. MJMEUC's purpose is to procure electric energy and capacity for the benefit of, and pursuant to the governance and direction of, MJMEUC's members. MJMEUC operations are governed by its members consisting of one representative from each MJMEUC member. MJMEUC's audited financials are available on its website www.mpu.org.

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

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

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

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

6. PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

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

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

The benefit provisions adopted by the HBPW are as follows:

	<u>2022 Valuation</u>
Benefit multiplier	1.75% for life, plus 0.25% to age 65
Final average salary	5 years
Member contributions	0%

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

Employees Covered by Benefit Terms

As of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	14
Active employees	67
Total	<u>145</u>

Contributions

The HBPW is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the HBPW do not contribute to the pension plan. The HBPW's contribution rate is 19.2% of annual covered payroll.

Net Pension Liability/(Asset)

The HBPW's net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increase	2.75% to 6.75%, including wage inflation
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the PubG-2010 Retiree, PubNS-2010 Disabled Retiree, PubG-2010 Employee, and the PubS-2010 Employee mortality tables.

The actuarial assumptions used in the February 28, 2022, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2021	\$ 24,107,525	\$ 26,432,987	\$ (2,325,462)
Changes for the year:			
Service cost	481,024	-	481,024
Interest	1,664,272	-	1,664,272
Difference between expected and actual experience	243,077	-	243,077
Changes in assumptions	-	-	-
Contributions - employer	-	961,645	(961,645)
Net investment income	-	18,280	(18,280)
Benefit payments, including refunds	(1,156,880)	(1,156,880)	-
Administrative expense	-	(15,578)	15,578
Other changes	-	36,047	(36,047)
Net changes	1,231,493	(156,486)	1,387,979
Balances at June 30, 2022	\$ 25,339,018	\$ 26,276,501	\$ (937,483)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the HBPW, calculated using the discount rate of 7.00%, as well as what the HBPW's net pension liability/(asset) would be using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 28,737,390	\$ 25,339,018	\$ 22,521,692
Plan fiduciary net position	26,276,501	26,276,501	26,276,501
Net pension liability/(asset)	<u>\$ 2,460,889</u>	<u>\$ (937,483)</u>	<u>\$ (3,754,809)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

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

For the year ended June 30, 2022, the HBPW recognized pension expense of (\$108,587). The HBPW reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 337,994	\$ (442,794)
Projected and actual earnings on investments	-	(434,098)
Changes in assumptions	-	(310,955)
Total	<u>\$ 337,994</u>	<u>\$ (1,187,847)</u>

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

2023	\$ (433,498)
2024	(269,550)
2025	(550,129)
2026	402,632
2027	692
Total	<u>\$ (849,853)</u>

7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the Plan

The following information is presented in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*.

Plan Description and Benefits Provided

The HBPW provides health insurance coverage to qualifying former employees and their dependents. The HBPW pays for continued health insurance coverage for a three-year period after retirement for employees and 50% of premiums for spouses. After the three-year period, the retirees can stay on the plan solely at their own expense unless they are Medicare eligible. Once they are Medicare-eligible they no longer eligible to remain on the plan.

Participants Covered by Benefit Terms

As of January 1, 2022, there were 67 active employees and 5 current benefit recipients participating in the plan.

Funding Policy

Covered employees are not required to contribute to the plan for up to three years. The HBPW is also not required to contribute to the plan. Employees who retire with a covered spouse pay 50% of the spouse's rate for up to three years (or until age 65). After three years, participants must pay 100% of the plan premium rates.

Total OPEB Liability

The HBPW's total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of January 1, 2022. The HBPW does not have a trust dedicated exclusively for the payment of OPEB benefits.

Actuarial Assumptions

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	2.0% to 3.9%
Medical/Rx cost trend (and retiree contribution trend)	Average of 5.36% through fiscal year 2028
Dental cost trend	3.0% per year
Salary scale	4.0% per year

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement.

In order to determine the municipal bond rate, the actuarial valuation uses the average of the published yields from the S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 2.0% and 3.9% as of the beginning and end of the valuation year, respectively.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the HBPW, calculated using the discount rate of 3.9%, as well as what the HBPW's total OPEB liability would be using a discount rate that is 1 percentage point lower (2.9%) and 1 percentage point higher (4.9%) than the current rate.

	Current Single Discount		
	1% Decrease (2.9%)	Rate Assumption (3.9%)	1% Increase (4.9%)
Total OPEB liability	\$ 1,578,589	\$ 1,452,512	\$ 1,335,230
Increase/(decrease) from baseline	126,077	-	(117,282)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the HBPW, calculated using the healthcare cost trend assumption, as well as what the HBPW's total OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower and 1 percentage point higher than the current rate.

	Current Trend		
	1% Decrease	Assumption	1% Increase
Total OPEB liability	\$ 1,278,384	\$ 1,452,512	\$ 1,658,093
Increase/(decrease) from baseline	(174,128)	-	205,581

Changes in the Total OPEB Liability

Total OPEB liability - beginning of year	<u>\$ 1,818,017</u>
Changes for the year:	
Service cost	142,531
Interest	38,911
Difference between expected and actual experience	(3,825)
Changes in assumptions	(513,122)
Contributions - employer	<u>(30,000)</u>
Net changes	<u>(365,505)</u>
Total OPEB liability - end of year	<u><u>\$ 1,452,512</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the HBPW recognized OPEB expense of (\$148,949). The HBPW reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between:		
Expected and actual experience	\$ 51,224	\$ (18,767)
Changes in assumptions	<u>271,280</u>	<u>(476,470)</u>
Total	<u>\$ 322,504</u>	<u>\$ (495,237)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense during the years ending June 30 as follows:

2023	\$ (2,493)
2024	(2,493)
2025	(2,493)
2026	(2,493)
2027	(2,493)
Thereafter	<u>(160,268)</u>
Total	<u>\$ (172,733)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
June 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 481,024	\$ 472,517	\$ 435,687	\$ 446,800	\$ 412,987	\$ 384,213	\$ 396,111	\$ 412,341
Interest on the total pension liability	1,664,272	1,705,351	1,616,589	1,643,234	1,497,556	1,453,217	1,381,075	1,362,410
Difference between expected and actual experience	243,077	(280,937)	307,866	(1,242,409)	1,227,980	(142,897)	(313,060)	(382,273)
Assumption changes	-	(513,497)	-	-	-	-	685,338	-
Benefit payments	(1,156,880)	(1,112,260)	(1,194,172)	(1,224,684)	(1,069,584)	(1,123,670)	(1,172,585)	(1,083,083)
Net change in total pension liability	1,231,493	271,174	1,165,970	(377,059)	2,068,939	570,863	976,879	309,395
Total pension liability beginning	24,107,525	23,836,351	22,670,381	23,047,440	20,978,501	20,407,638	19,430,759	19,121,364
Total pension liability ending	\$ 25,339,018	\$ 24,107,525	\$ 23,836,351	\$ 22,670,381	\$ 23,047,440	\$ 20,978,501	\$ 20,407,638	\$ 19,430,759
Plan fiduciary net position								
Contributions - employer	\$ 961,645	\$ 928,519	\$ 849,831	\$ 810,846	\$ 824,620	\$ 659,410	\$ 653,218	\$ 731,733
Contributions - employee	-	-	-	-	-	-	25,792	-
Pension plan net investment income	18,280	5,569,115	263,414	1,330,378	2,235,327	2,005,620	(45,644)	360,839
Benefit payments	(1,156,880)	(1,112,260)	(1,194,172)	(1,224,684)	(1,069,584)	(1,123,670)	(1,172,585)	(1,083,083)
Pension plan administrative expense	(15,578)	(14,481)	(18,550)	(16,899)	(11,864)	(11,377)	(10,849)	(11,836)
Other	36,047	(21,129)	(55,987)	(509,845)	76,336	(21,909)	(343,369)	(427,100)
Net change in plan fiduciary net position	(156,486)	5,349,764	(155,464)	389,796	2,054,835	1,508,074	(893,437)	(429,447)
Plan fiduciary net position beginning	26,432,987	21,083,223	21,238,687	20,848,891	18,794,056	17,285,982	18,179,419	18,608,866
Plan fiduciary net position ending	\$ 26,276,501	\$ 26,432,987	\$ 21,083,223	\$ 21,238,687	\$ 20,848,891	\$ 18,794,056	\$ 17,285,982	\$ 18,179,419
Net pension liability/(asset)	\$ (937,483)	\$ (2,325,462)	\$ 2,753,128	\$ 1,431,694	\$ 2,198,549	\$ 2,184,445	\$ 3,121,656	\$ 1,251,340
Plan fiduciary net position as a percentage of the total pension liability	103.70%	109.65%	88.45%	93.68%	90.46%	89.59%	84.70%	93.56%
Covered payroll	\$ 4,618,310	\$ 4,527,020	\$ 4,393,904	\$ 3,937,038	\$ 4,389,789	\$ 3,635,860	\$ 3,587,196	\$ 3,722,920
Net pension liability/(asset) as a percentage of covered payroll	-20.30%	-51.37%	62.66%	36.36%	50.08%	60.08%	87.02%	33.61%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
June 30, 2022**

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 961,645	\$ 928,519	\$ 849,831	\$ 817,296	\$ 857,688
Contributions in relation to the actuarially determined contribution	961,645	928,519	849,831	813,147	822,319
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 4,149	\$ 35,369
Covered payroll	\$ 4,713,946	\$ 4,551,563	\$ 4,186,358	\$ 4,148,709	\$ 4,421,073
Contributions as a percentage of covered payroll	20.40%	20.40%	20.30%	19.60%	18.60%
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 659,410	\$ 653,218	\$ 731,733	\$ 731,346	\$ 689,510
Contributions in relation to the actuarially determined contribution	659,410	653,218	731,733	720,152	664,107
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 11,194	\$ 25,403
Covered payroll	\$ 3,746,646	\$ 3,711,467	\$ 3,771,818	\$ 3,731,356	\$ 3,629,000
Contributions as a percentage of covered payroll	17.60%	17.60%	19.40%	19.30%	18.30%

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**OPEB PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
June 30, 2022**

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 142,531	\$ 122,025	\$ 95,592	\$ 97,054	\$ 92,381
Interest	38,911	43,576	42,440	48,118	50,139
Benefit changes	-	-	-	(191,644)	-
Difference between expected and actual experience	(3,825)	46,987	(20,922)	17,082	-
Assumption changes	(513,122)	94,949	188,800	72,903	10,635
Contributions - employer	(30,000)	(87,000)	(55,000)	(116,000)	(207,000)
Net change in total OPEB liability	(365,505)	220,537	250,910	(72,487)	(53,845)
Total OPEB liability beginning	1,818,017	1,597,480	1,346,570	1,419,057	1,472,902
Total OPEB liability ending	<u>\$ 1,452,512</u>	<u>\$ 1,818,017</u>	<u>\$ 1,597,480</u>	<u>\$ 1,346,570</u>	<u>\$ 1,419,057</u>
Covered payroll	\$ 4,538,500	\$ 3,887,352	\$ 3,887,352	\$ 3,788,616	\$ 3,788,616
Total OPEB liability as a percentage of covered payroll	32.00%	46.77%	41.09%	35.54%	37.46%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2022**

	2022	2021	2020	2019	2018
Expected retiree claims and administrative costs	\$ 46,000	\$ 91,000	\$ 57,000	\$ 138,000	\$ 231,000
Expected retiree premium contributions	16,000	4,000	2,000	22,000	24,000
Employer contributions	<u>\$ 30,000</u>	<u>\$ 87,000</u>	<u>\$ 55,000</u>	<u>\$ 116,000</u>	<u>\$ 207,000</u>
Covered payroll	\$ 4,538,500	\$ 3,887,352	\$ 3,887,352	\$ 3,788,616	\$ 3,788,616
Contributions as a percentage of covered payroll	0.35%	0.10%	0.05%	0.58%	0.63%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - ELECTRIC FUND
Year Ended June 30, 2022**

	Cost				Accumulated Depreciation			
	Balance at	Additions	Retirements	Balance at	Balance at	Additions	Retirements	Balance at
	July 1, 2021			June 30, 2022	July 1, 2021			June 30, 2022
Equipment	\$ 14,678,326	\$ 226,131	\$ (4,609,042)	\$ 10,295,415	\$ 9,886,881	\$ 339,529	\$ (1,375,093)	\$ 8,851,317
Transportation equipment	1,645,023	558,210	(149,426)	2,053,807	1,167,763	167,453	(149,426)	1,185,790
Infrastructure	21,545,201	235,266	-	21,780,467	10,542,965	533,889	-	11,076,854
Land and improvements	146,419	151,637	-	298,056	10,511	-	-	10,511
Structures	1,860,265	1,245	-	1,861,510	1,159,295	14,776	-	1,174,071
Total placed in service	39,875,234	1,172,489	(4,758,468)	36,289,255	22,767,415	1,055,647	(1,524,519)	22,298,543
Construction in progress	2,364,361	3,540,226	(235,266)	5,669,321	-	-	-	-
Total capital assets	<u>\$ 42,239,595</u>	<u>\$ 4,712,715</u>	<u>\$ (4,993,734)</u>	<u>\$ 41,958,576</u>	<u>\$ 22,767,415</u>	<u>\$ 1,055,647</u>	<u>\$ (1,524,519)</u>	<u>\$ 22,298,543</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - WATER FUND
Year Ended June 30, 2022**

	Cost				Accumulated Depreciation			
	Balance at	Additions	Retirements	Balance at	Balance at	Additions	Retirements	Balance at
	July 1, 2021			June 30, 2022	July 1, 2021			June 30, 2022
Equipment	\$ 767,768	\$ 37,006	\$ -	\$ 804,774	\$ 450,531	\$ 77,118	\$ -	\$ 527,649
Transportation equipment	597,196	127,677	-	724,873	468,848	56,103	-	524,951
Infrastructure	52,977,674	47,624	-	53,025,298	13,836,631	1,079,419	-	14,916,050
Land and improvements	116,175	-	-	116,175	-	-	-	-
Structures	725,001	-	-	725,001	578,869	6,641	-	585,510
Total placed in service	55,183,814	212,307	-	55,396,121	15,334,879	1,219,281	-	16,554,160
Construction in progress	935,157	59,119	(47,624)	946,652	-	-	-	-
Total capital assets	<u>\$ 56,118,971</u>	<u>\$ 271,426</u>	<u>\$ (47,624)</u>	<u>\$ 56,342,773</u>	<u>\$ 15,334,879</u>	<u>\$ 1,219,281</u>	<u>\$ -</u>	<u>\$ 16,554,160</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - SEWER FUND
Year Ended June 30, 2022**

	Cost				Accumulated Depreciation			
	Balance at	Additions	Retirements	Balance at	Balance at	Additions	Retirements	Balance at
	July 1, 2021			June 30, 2022	July 1, 2021			June 30, 2022
Equipment	\$ 2,983,520	\$ 148,816	\$ -	\$ 3,132,336	\$ 1,404,576	\$ 366,229	\$ -	\$ 1,770,805
Transportation equipment	1,404,022	10,614	-	1,414,636	891,349	138,082	-	1,029,431
Infrastructure	30,002,563	24,144	-	30,026,707	21,418,503	580,958	-	21,999,461
Land and improvements	526,043	-	-	526,043	-	-	-	-
Structures	4,632,940	-	-	4,632,940	564,176	115,075	-	679,251
Total placed in service	39,549,088	183,574	-	39,732,662	24,278,604	1,200,344	-	25,478,948
Construction in progress	983,140	68,751	(58,702)	993,189	-	-	-	-
Total capital assets	<u>\$ 40,532,228</u>	<u>\$ 252,325</u>	<u>\$ (58,702)</u>	<u>\$ 40,725,851</u>	<u>\$ 24,278,604</u>	<u>\$ 1,200,344</u>	<u>\$ -</u>	<u>\$ 25,478,948</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - STORMWATER FUND
Year Ended June 30, 2022**

	Cost				Accumulated Depreciation			
	Balance at	Additions	Retirements	Balance at	Balance at	Additions	Retirements	Balance at
	July 1, 2021			June 30, 2022	July 1, 2021			June 30, 2022
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation equipment	-	-	-	-	-	-	-	-
Infrastructure	-	715,217	-	715,217	-	-	-	-
Land and improvements	-	-	-	-	-	-	-	-
Structures	-	-	-	-	-	-	-	-
Total placed in service	-	715,217	-	715,217	-	-	-	-
Construction in progress	846,194	259,691	(715,217)	390,668	-	-	-	-
Total capital assets	<u>\$ 846,194</u>	<u>\$ 974,908</u>	<u>\$ (715,217)</u>	<u>\$ 1,105,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**SCHEDULE OF INVESTMENTS
June 30, 2022**

Description	Interest Rate	Maturity Date	Cost	Fair Value
Electric Fund				
IntraFi Network Deposits (CDARS)	0.78%	7/7/2022	\$ 1,500,000	\$ 1,500,705
US Treasury Bills	0.50%	8/11/2022	245,000	244,633
US Treasury Bills	0.57%	8/11/2022	245,000	244,633
US Treasury Bills	0.56%	8/18/2022	245,000	244,551
American Express Centurion CD	2.35%	8/22/2022	247,000	247,220
IntraFi Network Deposits (CDARS)	1.21%	9/15/2022	1,500,000	1,500,746
US Treasury Bills	0.86%	10/6/2022	247,000	245,818
Barclays Bank/Delaware CD	2.30%	10/18/2022	247,000	247,353
Crossfirst Bank CD	2.20%	11/18/2022	245,000	245,249
Enterprise Bank CD	2.15%	11/28/2022	248,000	248,180
MB Financial Bank CD	2.75%	3/20/2023	248,000	248,579
Belmont Savings Bank CD	3.05%	5/16/2023	245,000	245,790
Enerbank USA CD	3.20%	8/30/2023	248,000	248,720
UBS Bank USA CD	3.50%	10/27/2023	248,000	249,565
F&M Bank CD	3.15%	1/25/2024	1,000,000	1,007,767
F&M Bank CD	2.50%	8/7/2024	248,000	249,512
Toyota Financial Savings Bank CD	0.60%	8/12/2024	248,000	234,324
BMW Bank North America CD	0.35%	10/30/2024	246,000	229,522
F&M Bank CD	1.95%	10/30/2024	248,000	260,366
F&M Bank CD	1.40%	3/10/2025	100,000	103,197
F&M Bank CD	1.65%	4/21/2025	248,000	256,303
F&M Bank CD	1.60%	5/8/2025	245,000	252,951
F&M Bank CD	1.25%	5/13/2025	245,000	251,192
Discover Bank CD	3.10%	5/27/2025	245,000	243,029
Sallie Mae Bank/Salt Lake CD	0.85%	5/27/2025	245,000	227,833
Malaga Bank FSB CD	0.70%	5/29/2025	245,000	228,613
Financial Federal Savings Bank CD	0.65%	5/29/2025	245,000	223,372
F&M Bank CD	1.25%	9/30/2025	244,186	252,448
Medallion Bank Utah CD	0.40%	10/30/2025	247,000	223,786
US Treasury Notes	0.75%	4/30/2026	164,000	149,682
Goldman Sachs Bank USA CD	1.00%	8/4/2026	220,000	200,268
Live Oak Banking Company CD	0.90%	10/19/2026	248,000	223,382
Total Electric Fund			10,889,186	10,779,289
Sewer Fund				
Synchrony Bank	3.10%	10/10/2024	120,000	120,000
Total investments			\$ 11,009,186	\$ 10,899,289

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**SCHEDULE OF TOP TEN UTILITY CUSTOMERS
Year Ended June 30, 2022**

Electric Fund

Rank	Customer	Annual Kilowatt Hours (kWh)	Percent of Total
1	General Mills	45,971,694	19.41%
2	Spartan Light Metal Products	15,477,000	6.54%
3	Watlow Electric Manufacturing Co.	8,159,450	3.45%
4	Board of Public Works	7,612,617	3.21%
5	Enduro Industries	7,294,000	3.08%
6	Hannibal-LaGrange University	3,889,300	1.64%
7	Walmart Stores Inc.	3,760,600	1.59%
8	Niemann Foods Inc.	2,847,400	1.20%
9	Hannibal Public Schools	2,623,600	1.11%
10	Consolidated Machine & Welding	1,872,820	0.79%

Water Fund

Rank	Customer	Annual Gallons	Percent of Total
1	General Mills	256,010,419	32.32%
2	Board of Public Works	101,858,573	12.86%
3	Hannibal Regional Hospital	11,849,612	1.50%
4	Levering Care Center	11,204,658	1.41%
5	Watlow Electric Manufacturing Co.	5,546,232	0.70%
6	Hannibal-LaGrange University	5,122,198	0.65%
7	Hannibal Country Club	4,575,687	0.58%
8	Hannibal Elderly House	4,182,940	0.53%
9	Hannibal Health Care Center	3,937,985	0.50%
10	Spartan Light Metal Products	3,690,849	0.47%

Sewer Fund

Rank	Customer	Annual Gallons	Percent of Total
1	General Mills	*	*
2	Hannibal Regional Hospital	11,849,612	1.75%
3	Levering Care Center	11,204,658	1.66%
4	Hannibal-LaGrange University	4,945,384	0.73%
5	Hannibal Elderly House	4,182,940	0.62%
6	Hannibal Health Care Center	3,937,985	0.58%
7	Spartan Light Metal Products	3,690,849	0.55%
8	Luther Manor	3,380,331	0.50%
9	SWB Hospitality LLC	2,955,834	0.44%
10	Best Western on the River	2,342,931	0.35%

*General Mills utilizes a significant percentage of its purchased water as an ingredient in its products. As a result, billing for General Mills is based on a formula other than gallons of water purchased. General Mills accounts for approximately 30% of Sewer Fund revenues.

OTHER INFORMATION

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**COMPARATIVE STATEMENT OF OPERATING FACTORS
ELECTRIC FUND
Years Ended June 30, 2022 and 2021**

	Unit	2022	2021
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		52.48	51.44
Maximum peak load operation	MW	55	53
Investment per capita	\$	3,167.73	2,393.37
Total operating revenue per \$100 investment	\$	42.90	55.83
Ratio of total operating expenses to total operating revenue	%	84.33%	95.01%
Operating profit per \$100 investment	\$	6.72	2.79
Total purchased power cost per kWh	\$	0.0508	0.0641
Average price received per kWh sold	\$	0.0982	0.0980
Operating profit per kWh sold	\$	0.0154	0.0049
Average residential use	kWh	10,328	10,297
Total kWh purchased	kWh	251,248,000	247,567,000
Total kWh sold	kWh	236,796,882	233,165,883
Customers at end of year:			
Residential		7,781	7,619
Commercial		1,082	1,067
Industrial		116	114
		<u>8,979</u>	<u>8,800</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**COMPARATIVE STATEMENT OF OPERATING FACTORS
WATER FUND
Years Ended June 30, 2022 and 2021**

	Unit	2022	2021
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		46.87	46.03
Capacity per day	Gallon	7,500,000	7,500,000
Maximum production per day	Gallon	4,240,930	3,984,107
Average production per day	Gallon	3,153,783	2,980,571
Investment per 1,000 gallons sold	\$	60.13	60.64
Investment per capita	\$	2,783.61	2,846.37
Total operating revenue per \$100 investment	\$	12.97	12.39
Ratio of total operating expenses to operating revenue	%	85.86%	76.97%
Operating profit per \$100 investment	\$	1.83	2.85
Average price received per 1,000 gallons	\$	7.80	7.51
Average cost per 1,000 gallons	\$	6.69	5.78
Customers at end of year:			
Residential		7,205	7,063
Commercial		814	808
		8,019	7,871
		8,019	7,871

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**COMPARATIVE STATEMENT OF OPERATING FACTORS
SEWER FUND
Years Ended June 30, 2022 and 2021**

	Unit	2022	2021
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		45.06	44.23
Investment per capita	\$	1,228.03	1,230.82
Total revenue per \$100 investment	\$	26.09	24.86
Ratio of total operating expenses to total operating revenue	%	83.78%	86.71%
Operating profit per \$100 investment	\$	4.23	3.30
Total treatment cost per million gallons	\$	2,806.04	3,158.44
Average price received per million gallons treated	\$	3,349.21	3,642.56
Operating profit per million gallons treated	\$	543.17	484.12
Total gallons treated	Gallon	1,636,900,000	1,437,120,000
Total gallons from water plant	Gallon	1,151,130,795	1,087,908,415
Customers at end of year:			
Residential		6,953	6,812
Commercial		756	755
		7,709	7,567
		7,709	7,567