

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 7
Financial Statements:	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11 – 27
Required Supplementary Information:	
Pension Plan Schedule of Changes in Net Pension Liability and Related Ratios	28
Pension Plan Schedule of Contributions	29
OPEB Plan Schedule of Changes in Total OPEB Liability	30
OPEB Plan Schedule of Contributions	30
Supplementary Information:	
Capital Assets Schedules	31 – 32
Schedule of Investments	33
Schedule of Top Ten Utility Customers	34
Other Information:	
Comparative Statements of Operating Factors	35 – 37

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, 2023, 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, 2023, 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, 2023, 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. Keppel, UC

Columbia, Missouri
December 12, 2023

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, 2023. This analysis should be read in conjunction with the financial statements and notes.

Financial Highlights

- The assets and deferred outflows of resources of the HBPW exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2023, by \$79,286,879 (net position). Of this amount, \$24,913,298 (unrestricted net position) may be used to meet the HBPW’s ongoing obligations to its citizens and creditors.
- The HBPW’s total net position decreased by \$1,600,255 during the year ended June 30, 2023. The decrease in net position can be attributed to the Electric Fund, which decreased by \$2,480,518; and the Stormwater Fund, which decreased by \$118,103; offset by the Water Fund, which increased by \$506,415; and the Sewer Fund, which increased by \$491,951. The change in net position in the Electric Fund was primarily due to a significant increase in capacity costs during the year ended June 30, 2023.
- Long-term debt payments made during the year totaled \$2,538,980. The total principal due on the HBPW’s long-term debt decreased by \$1,577,756 for the year ended June 30, 2023.
- Electric and sewer rates were unchanged from the prior year. Water rates were increased in July 2022 and January 2023.

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>2023</u>	<u>2022</u>
Assets		
Current	\$ 33,896,808	\$ 43,101,645
Net capital assets	80,826,893	75,801,434
Other assets	<u>2,693,467</u>	<u>3,009,774</u>
Total assets	<u>\$ 117,417,168</u>	<u>\$ 121,912,853</u>
Deferred outflows of resources	<u>\$ 1,041,218</u>	<u>\$ 660,498</u>
Liabilities		
Current	\$ 5,529,899	\$ 5,970,389
Long-term	<u>32,818,780</u>	<u>34,315,099</u>
Total liabilities	<u>\$ 38,348,679</u>	<u>\$ 40,285,488</u>
Deferred inflows of resources	<u>\$ 822,828</u>	<u>\$ 1,683,084</u>
Net Position		
Net investment in capital assets	\$ 48,293,506	\$ 41,690,291
Restricted	6,080,075	12,379,599
Unrestricted	<u>24,913,298</u>	<u>26,534,889</u>
Total net position	<u>\$ 79,286,879</u>	<u>\$ 80,604,779</u>

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

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 35,128,995	\$ 34,909,175
Less: operating expenses	<u>(36,133,953)</u>	<u>(29,519,772)</u>
Total operating income	<u>\$ (1,004,958)</u>	<u>\$ 5,389,403</u>
Non-operating revenues and expenses:		
Investment income	\$ 178,908	\$ 243,177
Interest expense	(961,224)	(768,167)
Other items, net	<u>187,019</u>	<u>2,031,016</u>
Total non-operating income (loss)	<u>\$ (595,297)</u>	<u>\$ 1,506,026</u>
Change in net position	\$ (1,600,255)	\$ 6,895,429
Net position at beginning of period (as restated in 2023)*	<u>80,887,134</u>	<u>73,709,350</u>
Net position at end of period	<u>\$ 79,286,879</u>	<u>\$ 80,604,779</u>

The HBPW's most significant revenue in 2023 was charges for services of \$35,128,995.

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Electric Fund	\$ 22,877,844	\$ 23,251,628
Water Fund	6,755,216	6,175,222
Sewer Fund	<u>5,495,935</u>	<u>5,482,325</u>
Total	<u>\$ 35,128,995</u>	<u>\$ 34,909,175</u>

The HBPW's most significant expenses in 2023 were purchased power of \$18,682,301 and salary and wages of \$5,230,301.

	<u>2023</u>	<u>2022</u>
Operating expenses:		
Electric Fund	\$ 25,488,432	\$ 19,608,309
Water Fund	5,748,612	5,302,008
Sewer Fund	4,812,159	4,593,208
Stormwater Fund	<u>84,750</u>	<u>16,247</u>
Total	<u>\$ 36,133,953</u>	<u>\$ 29,519,772</u>

Property, Plant and Equipment

At the end of fiscal year 2023, the HBPW's total property, plant and equipment was \$80,826,893, 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 \$22,632,433 for the current year compared to \$22,949,153 for the prior year, a decrease of 1.38%.

Retail water revenues were \$6,626,330 for the current year compared to \$6,061,552 for the prior year, an increase of 9.32%.

Retail sewer revenues were \$5,411,025 for the current year compared to \$5,404,985 for the prior year, an increase of 0.11%.

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 has been maintaining the above-ground stormwater system and the HBPW has 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 \$1,860,964 were paid to the City in 2023. The HBPW remains financially sound at the conclusion of fiscal year 2023. For more than 120 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.hbpw.org/>.

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**STATEMENT OF NET POSITION
June 30, 2023**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 533,180	\$ 4,425,608	\$ 5,491,887	\$ -	\$ 8,288	\$ 10,458,963
Restricted cash	4,769,293	604,210	83,680	-	-	5,457,183
Investments	10,060,577	-	120,000	-	-	10,180,577
Accounts receivable (net of allowance of \$85,000)	1,367,457	374,001	328,931	-	9,310	2,079,699
Other receivables	370,636	1,293	4,166	-	-	376,095
Inventory	2,324,408	871,614	80,735	-	-	3,276,757
Prepaid expenses	1,749,148	159,193	159,193	-	-	2,067,534
Interfund balances	2,137,102	-	-	(2,137,102)	-	-
Total current assets	23,311,801	6,435,919	6,268,592	(2,137,102)	17,598	33,896,808
Non-current assets:						
Capital assets, net of accumulated depreciation	26,414,772	38,853,602	14,465,504	1,093,015	-	80,826,893
Investment in land/water rights	505,055	1,500,000	-	-	-	2,005,055
Investment in Prairie State, net	65,520	-	-	-	-	65,520
Net pension asset	311,444	155,724	155,724	-	-	622,892
Total non-current assets	27,296,791	40,509,326	14,621,228	1,093,015	-	83,520,360
Total assets	50,608,592	46,945,245	20,889,820	(1,044,087)	17,598	117,417,168
DEFERRED OUTFLOWS OF RESOURCES						
Pension plan	377,259	188,629	188,629	-	-	754,517
OPEB plan	143,123	71,789	71,789	-	-	286,701
Total deferred outflows of resources	520,382	260,418	260,418	-	-	1,041,218
LIABILITIES						
Current liabilities:						
Accounts payable	1,660,216	165,441	181,535	4,810	14,256	2,026,258
Accrued interest	97,951	92,502	10,450	27,716	-	228,619
Other accrued expenses	57,866	26,413	21,306	-	-	105,585
Compensated absences	683,404	313,174	204,029	-	-	1,200,607
Customer deposits	505,420	94,585	102,113	-	-	702,118
Current portion of long-term debt	287,776	962,776	16,160	-	-	1,266,712
Total current liabilities	3,292,633	1,654,891	535,593	32,526	14,256	5,529,899
Non-current liabilities:						
Long-term debt, net of current portion	10,471,616	17,252,058	3,543,001	-	-	31,266,675
OPEB liability	775,811	388,147	388,147	-	-	1,552,105
Total non-current liabilities	11,247,427	17,640,205	3,931,148	-	-	32,818,780
Total liabilities	14,540,060	19,295,096	4,466,741	32,526	14,256	38,348,679
DEFERRED INFLOWS OF RESOURCES						
Pension plan	176,768	88,934	88,934	-	-	354,636
OPEB plan	234,096	117,048	117,048	-	-	468,192
Total deferred inflows of resources	410,864	205,982	205,982	-	-	822,828
NET POSITION						
Net investment in capital assets	15,655,380	20,638,768	10,906,343	1,093,015	-	48,293,506
Restricted for debt service	4,769,293	604,210	83,680	-	-	5,457,183
Restricted for net pension asset	311,444	155,724	155,724	-	-	622,892
Unrestricted	15,441,933	6,305,883	5,331,768	(2,169,628)	3,342	24,913,298
TOTAL NET POSITION	\$ 36,178,050	\$ 27,704,585	\$ 16,477,515	\$ (1,076,613)	\$ 3,342	\$ 79,286,879

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, 2023**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
OPERATING REVENUES						
Charges for services	\$ 22,877,844	\$ 6,755,216	\$ 5,495,935	\$ -	\$ -	\$ 35,128,995
Total operating revenues	22,877,844	6,755,216	5,495,935	-	-	35,128,995
OPERATING EXPENSES						
Purchased power	18,682,301	-	-	-	-	18,682,301
Purchased services	1,950,077	1,254,610	1,242,773	64,983	-	4,512,443
Salaries and wages	2,333,599	1,526,689	1,370,013	-	-	5,230,301
Employee benefits	896,771	448,513	448,511	-	-	1,793,795
Materials and supplies	492,748	1,283,396	563,417	1,873	-	2,341,434
Depreciation and amortization	1,125,977	1,222,152	1,141,081	17,894	-	3,507,104
Other operating expenses	6,959	13,252	46,364	-	-	66,575
Total operating expenses	25,488,432	5,748,612	4,812,159	84,750	-	36,133,953
OPERATING INCOME (LOSS)	(2,610,588)	1,006,604	683,776	(84,750)	-	(1,004,958)
NON-OPERATING REVENUES (EXPENSES)						
Investment income (loss)	353,519	(67,906)	(106,705)	-	-	178,908
Interest expense	(386,043)	(452,193)	(89,635)	(33,353)	-	(961,224)
Rental income	6,620	-	(5,000)	-	-	1,620
Other non-operating revenues, net	155,974	19,910	9,515	-	-	185,399
Total non-operating revenues (expenses)	130,070	(500,189)	(191,825)	(33,353)	-	(595,297)
Change in net position	(2,480,518)	506,415	491,951	(118,103)	-	(1,600,255)
Net position, July 1 (as restated)	38,658,568	27,198,170	15,985,564	(958,510)	3,342	80,887,134
NET POSITION, JUNE 30	\$ 36,178,050	\$ 27,704,585	\$ 16,477,515	\$ (1,076,613)	\$ 3,342	\$ 79,286,879

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, 2023**

	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Recycling Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 23,738,943	\$ 6,745,087	\$ 5,547,153	\$ -	\$ 201	\$ 36,031,384
Cash paid to vendors	(23,455,317)	(2,620,421)	(1,842,593)	(62,046)	(1,416)	(27,981,793)
Cash paid to employees	(3,627,127)	(2,159,603)	(2,051,527)	-	-	(7,838,257)
Net cash provided (used) by operating activities	(3,343,501)	1,965,063	1,653,033	(62,046)	(1,215)	211,334
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Net change in interfund balances	(100,424)	-	-	100,424	-	-
Net cash provided (used) by noncapital financing activities	(100,424)	-	-	100,424	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of capital assets	(7,878,999)	(287,141)	(359,682)	(5,024)	-	(8,530,846)
Payments on long-term debt	(675,001)	(1,391,051)	(426,118)	(33,354)	-	(2,525,524)
Net cash used by capital and related financing activities	(8,554,000)	(1,678,192)	(785,800)	(38,378)	-	(11,056,370)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	353,519	(67,906)	(106,705)	-	-	178,908
Investment maturities/sales	828,609	-	-	-	-	828,609
Other revenues	162,594	19,910	4,515	-	-	187,019
Net cash provided by investing activities	1,344,722	(47,996)	(102,190)	-	-	1,194,536
Net change in cash and cash equivalents	(10,653,203)	238,875	765,043	-	(1,215)	(9,650,500)
Cash and cash equivalents, beginning of year	15,955,676	4,790,943	4,810,524	-	9,503	25,566,646
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,302,473	\$ 5,029,818	\$ 5,575,567	\$ -	\$ 8,288	\$ 15,916,146
Cash and cash equivalents	\$ 533,180	\$ 4,425,608	\$ 5,491,887	\$ -	\$ 8,288	\$ 10,458,963
Restricted cash	4,769,293	604,210	83,680	-	-	5,457,183
Total cash and cash equivalents	\$ 5,302,473	\$ 5,029,818	\$ 5,575,567	\$ -	\$ 8,288	\$ 15,916,146
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (2,610,588)	\$ 1,006,604	\$ 683,776	\$ (84,750)	\$ -	\$ (1,004,958)
Adjustments:						
Depreciation and amortization	1,125,977	1,222,152	1,141,081	17,894	-	3,507,104
(Increase) decrease in assets and deferred outflows of resources:						
Accounts receivable	201,661	(8,209)	53,676	-	201	247,329
Inventory	(465,454)	(11,241)	(16,826)	-	-	(493,521)
Prepaid expenses	(1,441,278)	(5,258)	(5,258)	-	-	(1,451,794)
Other receivables	696,432	4,678	4,959	-	-	706,069
Net pension asset	157,295	78,648	78,648	-	-	314,591
Pension plan	(208,261)	(104,131)	(104,131)	-	-	(416,523)
OPEB plan	17,859	8,972	8,972	-	-	35,803
Increase (decrease) in liabilities and deferred inflows of resources:						
Accounts payable	(401,607)	(43,846)	37,443	4,810	(1,416)	(404,616)
Customer deposits	(36,994)	(6,598)	(7,417)	-	-	(51,009)
Accrued expenses	(14,892)	(8,818)	(5,398)	-	-	(29,108)
Compensated absences	16,767	22,233	(26,369)	-	-	12,631
OPEB liability	49,679	24,957	24,957	-	-	99,593
Pension plan	(417,154)	(208,029)	(208,029)	-	-	(833,212)
OPEB plan	(12,943)	(7,051)	(7,051)	-	-	(27,045)
Net cash provided (used) by operating activities	\$ (3,343,501)	\$ 1,965,063	\$ 1,653,033	\$ (62,046)	\$ (1,215)	\$ 211,334

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 fair value.

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, 2023.

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, 2023, have been evaluated through December 12, 2023, 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, 2023. Deposits, categorized by level of custodial risk, were as follows as of June 30, 2023:

	Cash and Cash Equivalents	Certificates of Deposit	Total
Bank balance			
Insured by the FDIC	\$ 258,004	\$ 8,493,241	\$ 8,751,245
Collateralized with securities pledged by the financial institution	6,728,394	-	6,728,394
Collateralized with securities held by the pledging financial institutions' trust department or agent but not in the depositor government's name	7,689,629	-	7,689,629
	<u>\$ 14,676,027</u>	<u>\$ 8,493,241</u>	<u>\$ 23,169,268</u>
Carrying value	<u>\$ 7,422,905</u>	<u>\$ 8,493,241</u>	<u>\$ 15,916,146</u>

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

Cash and cash equivalents	\$ 10,458,963
Restricted cash	<u>5,457,183</u>
	<u>\$ 15,916,146</u>

Investments

The HBPW had the following investments as of June 30, 2023:

	Investment Maturities (in years)			
	Less than 1	1-5	Over 5	Total
Certificates of deposit	\$ 4,131,529	\$ 3,646,598	\$ -	\$ 7,778,127
U.S. Treasury bills	2,254,836	147,614	-	2,402,450
	<u>\$ 6,386,365</u>	<u>\$ 3,794,212</u>	<u>\$ -</u>	<u>\$ 10,180,577</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, 2023, 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.

Fair value disclosures: The HBPW categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets.
- Level 2 Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Observable inputs may include interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable. Valuation is based on methodologies that are unobservable and significant to the fair value measure. These may be generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The HBPW's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets recorded at fair value.

U.S. government and agency securities: Valued at the closing price reported in the market in which the individual security is traded.

Other: Valued at quoted market prices available on an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the HBPW believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following summarizes the City's assets measured at fair value as of June 30, 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

Investment Type	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 7,778,127	\$ -	\$ 7,778,127
U.S. Treasury bills	-	2,402,450	-	2,402,450
	<u>\$ -</u>	<u>\$ 10,180,577</u>	<u>\$ -</u>	<u>\$ 10,180,577</u>

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 929,763	\$ -	\$ -	\$ 929,763
Construction in progress	7,999,830	7,643,929	(12,099,479)	3,544,280
Total capital assets, not being depreciated	<u>8,929,593</u>	<u>7,643,929</u>	<u>(12,099,479)</u>	<u>4,474,043</u>
Capital assets, being depreciated:				
Buildings	7,219,451	27,802	-	7,247,253
Improvements	10,511	-	-	10,511
Infrastructure	105,547,689	12,061,484	-	117,609,173
Vehicles and equipment	18,425,841	897,110	-	19,322,951
Total capital assets, being depreciated	<u>131,203,492</u>	<u>12,986,396</u>	<u>-</u>	<u>144,189,888</u>
Less accumulated depreciation for:				
Buildings	2,438,832	136,778	-	2,575,610
Improvements	10,511	-	-	10,511
Infrastructure	47,992,365	2,198,010	-	50,190,375
Vehicles and equipment	13,889,943	1,170,599	-	15,060,542
Total accumulated depreciation	<u>64,331,651</u>	<u>3,505,387</u>	<u>-</u>	<u>67,837,038</u>
Total capital assets being depreciated, net	<u>66,871,841</u>	<u>9,481,009</u>	<u>-</u>	<u>76,352,850</u>
Total capital assets, net	<u>\$ 75,801,434</u>	<u>\$ 17,124,938</u>	<u>\$ (12,099,479)</u>	<u>\$ 80,826,893</u>

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

Electric Fund	\$ 1,124,260
Water Fund	1,222,152
Sewer Fund	1,141,081
Stormwater Fund	17,894
Total depreciation expense	<u>\$ 3,505,387</u>

4. LONG-TERM DEBT

The following is a summary of the HBPW's long-term debt transactions for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due In One Year
Revenue bonds	\$ 22,803,655	\$ -	\$ 1,268,200	\$ 21,535,455	\$ 960,000
Series 2019 - premium	82,069	-	2,690	79,379	2,776
Series 2020 - premium	170,444	-	11,283	159,161	16,160
Certificates of participation	11,000,000	-	290,000	10,710,000	285,000
Series 2022 - premium	54,975	-	5,583	49,392	2,776
	<u>\$ 34,111,143</u>	<u>\$ -</u>	<u>\$ 1,577,756</u>	<u>\$ 32,533,387</u>	<u>\$ 1,266,712</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, 2023
Sewerage System Series 2020	\$ 4,655,000	2.00%-3.00%	7/1/2032	\$ 3,400,000
Waterworks Series 2015	12,960,000	1.23%	7/1/2035	8,840,455
Waterworks Series 2019	9,915,000	3.00%-3.25%	1/1/2044	9,295,000
				<u>\$ 21,535,455</u>

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

	Principal	Interest	Total
2024	\$ 960,000	\$ 292,095	\$ 1,252,095
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	1,411,000	367,397	1,778,397
2029-2033	7,570,000	1,394,802	8,964,802
2034-2038	4,264,300	777,765	5,042,065
2039-2043	2,685,000	356,313	3,041,313
2044-2047	592,155	19,175	611,330
	<u>\$ 21,535,455</u>	<u>\$ 4,485,570</u>	<u>\$ 26,021,025</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. 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:

	Principal	Interest	Total
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	330,000	343,600	673,600
2029-2033	1,860,000	1,508,600	3,368,600
2034-2038	2,225,000	1,153,563	3,378,563
2039-2043	2,625,000	746,681	3,371,681
2044-2047	2,465,000	234,394	2,699,394
	<u>\$ 10,710,000</u>	<u>\$ 5,484,038</u>	<u>\$ 16,194,038</u>

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.mpuua.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 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>2023 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	16
Active employees	64
Total	<u>147</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 18.9% of annual covered payroll.

Net Pension Liability/(Asset)

The HBPW's net pension liability/(asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions

The total pension liability in the February 28, 2023, 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, 2023, 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, 2022	\$ 25,339,018	\$ 26,276,501	\$ (937,483)
Changes for the year:			
Service cost	489,351	-	489,351
Interest	1,743,998	-	1,743,998
Difference between expected and actual experience	134,085	-	134,085
Changes in assumptions	-	-	-
Contributions - employer	-	1,014,056	(1,014,056)
Net investment income	-	943,847	(943,847)
Benefit payments, including refunds	(1,353,450)	(1,353,450)	-
Administrative expense	-	(21,918)	21,918
Other changes	-	116,858	(116,858)
Net changes	1,013,984	699,393	314,591
Balances at June 30, 2023	\$ 26,353,002	\$ 26,975,894	\$ (622,892)

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	\$ 29,848,056	\$ 26,353,002	\$ 23,453,855
Plan fiduciary net position	26,975,894	26,975,894	26,975,894
Net pension liability/(asset)	\$ 2,872,162	\$ (622,892)	\$ (3,522,039)

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, 2023, the HBPW recognized pension expense of \$81,909.

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	\$ 316,290	\$ (144,953)
Projected and actual earnings on investments	438,227	-
Changes in assumptions	-	(209,683)
Total	<u>\$ 754,517</u>	<u>\$ (354,636)</u>

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

2024	\$ (64,603)
2025	(345,182)
2026	607,579
2027	202,087
2028	-
Total	<u>\$ 399,881</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, 2023, 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	3.9% to 4.0%
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 3.9% and 4.0% 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 4.0%, as well as what the HBPW's total OPEB liability would be using a discount rate that is 1 percentage point lower (3.0%) and 1 percentage point higher (5.0%) than the current rate.

	Current Single Discount		
	1% Decrease (3.0%)	Rate Assumption (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 1,683,702	\$ 1,552,105	\$ 1,429,517
Increase/(decrease) from baseline	131,597	-	(122,588)

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	\$ 1,358,469	\$ 1,552,105	\$ 1,781,314
Increase/(decrease) from baseline	(193,636)	-	229,209

Changes in the Total OPEB Liability

Total OPEB liability - beginning of year	<u>\$ 1,452,512</u>
Changes for the year:	
Service cost	101,145
Interest	59,637
Difference between expected and actual experience	574
Changes in assumptions	(12,763)
Contributions - employer	<u>(49,000)</u>
Net changes	<u>99,593</u>
Total OPEB liability - end of year	<u><u>\$ 1,552,105</u></u>

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

For the year ended June 30, 2023, the HBPW recognized OPEB expense of \$108,351. 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	\$ 46,866	\$ (16,593)
Changes in assumptions	<u>239,835</u>	<u>(451,599)</u>
Total	<u><u>\$ 286,701</u></u>	<u><u>\$ (468,192)</u></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:

2024	\$ (3,431)
2025	(3,431)
2026	(3,431)
2027	(3,431)
2028	(3,431)
Thereafter	<u>(164,336)</u>
Total	<u><u>\$ (181,491)</u></u>

8. RESTATEMENT

During the year ended June 30, 2023, the HBPW identified inventory that had not been recorded. As a result, net position as of June 30, 2022, was restated as follows:

	Net position, as previously reported	Effect of restatement	Net position, as restated
Electric Fund	\$ 38,466,488	\$ 192,080	\$ 38,658,568
Water Fund	27,120,117	78,053	27,198,170
Sewer Fund	15,973,342	12,222	15,985,564
Totals	<u>\$ 81,559,947</u>	<u>\$ 282,355</u>	<u>\$ 81,842,302</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, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 489,351	\$ 481,024	\$ 472,517	\$ 435,687	\$ 446,800	\$ 412,987	\$ 384,213	\$ 396,111	\$ 412,341
Interest on the total pension liability	1,743,998	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	134,085	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	(1,353,450)	(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	1,013,984	1,231,493	271,174	1,165,970	(377,059)	2,068,939	570,863	976,879	309,395
Total pension liability beginning	25,339,018	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	<u>\$ 26,353,002</u>	<u>\$ 25,339,018</u>	<u>\$ 24,107,525</u>	<u>\$ 23,836,351</u>	<u>\$ 22,670,381</u>	<u>\$ 23,047,440</u>	<u>\$ 20,978,501</u>	<u>\$ 20,407,638</u>	<u>\$ 19,430,759</u>
Plan fiduciary net position									
Contributions - employer	\$ 1,014,056	\$ 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	943,847	18,280	5,569,115	263,414	1,330,378	2,235,327	2,005,620	(45,644)	360,839
Benefit payments	(1,353,450)	(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	(21,918)	(15,578)	(14,481)	(18,550)	(16,899)	(11,864)	(11,377)	(10,849)	(11,836)
Other	116,858	36,047	(21,129)	(55,987)	(509,845)	76,336	(21,909)	(343,369)	(427,100)
Net change in plan fiduciary net position	699,393	(156,486)	5,349,764	(155,464)	389,796	2,054,835	1,508,074	(893,437)	(429,447)
Plan fiduciary net position beginning	26,276,501	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	<u>\$ 26,975,894</u>	<u>\$ 26,276,501</u>	<u>\$ 26,432,987</u>	<u>\$ 21,083,223</u>	<u>\$ 21,238,687</u>	<u>\$ 20,848,891</u>	<u>\$ 18,794,056</u>	<u>\$ 17,285,982</u>	<u>\$ 18,179,419</u>
Net pension liability/(asset)	<u>\$ (622,892)</u>	<u>\$ (937,483)</u>	<u>\$ (2,325,462)</u>	<u>\$ 2,753,128</u>	<u>\$ 1,431,694</u>	<u>\$ 2,198,549</u>	<u>\$ 2,184,445</u>	<u>\$ 3,121,656</u>	<u>\$ 1,251,340</u>
Plan fiduciary net position as a percentage of the total pension liability	102.36%	103.70%	109.65%	88.45%	93.68%	90.46%	89.59%	84.70%	93.56%
Covered payroll	\$ 4,694,726	\$ 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	-13.27%	-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, 2023**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,014,056	\$ 961,645	\$ 928,519	\$ 849,831	\$ 817,296
Contributions in relation to the actuarially determined contribution	1,014,056	961,645	928,519	849,831	813,147
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 4,149
Covered payroll	\$ 5,147,491	\$ 4,713,946	\$ 4,551,563	\$ 4,186,358	\$ 4,148,709
Contributions as a percentage of covered payroll	19.70%	20.40%	20.40%	20.30%	19.60%
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 857,688	\$ 659,410	\$ 653,218	\$ 731,733	\$ 731,346
Contributions in relation to the actuarially determined contribution	822,319	659,410	653,218	731,733	720,152
Contribution deficiency (excess)	\$ 35,369	\$ -	\$ -	\$ -	\$ 11,194
Covered payroll	\$ 4,421,073	\$ 3,746,646	\$ 3,711,467	\$ 3,771,818	\$ 3,731,356
Contributions as a percentage of covered payroll	18.60%	17.60%	17.60%	19.40%	19.30%

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**OPEB PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
June 30, 2023**

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 101,145	\$ 142,531	\$ 122,025	\$ 95,592	\$ 97,054	\$ 92,381
Interest	59,637	38,911	43,576	42,440	48,118	50,139
Benefit changes	-	-	-	-	(191,644)	-
Difference between expected and actual experience	574	(3,825)	46,987	(20,922)	17,082	-
Assumption changes	(12,763)	(513,122)	94,949	188,800	72,903	10,635
Contributions - employer	(49,000)	(30,000)	(87,000)	(55,000)	(116,000)	(207,000)
Net change in total OPEB liability	99,593	(365,505)	220,537	250,910	(72,487)	(53,845)
Total OPEB liability beginning	1,452,512	1,818,017	1,597,480	1,346,570	1,419,057	1,472,902
Total OPEB liability ending	<u>\$ 1,552,105</u>	<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	\$ 4,538,500	\$ 3,887,352	\$ 3,887,352	\$ 3,788,616	\$ 3,788,616
Total OPEB liability as a percentage of covered payroll	34.20%	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, 2023**

	2023	2022	2021	2020	2019	2018
Expected retiree claims and administrative costs	\$ 54,000	\$ 46,000	\$ 91,000	\$ 57,000	\$ 138,000	\$ 231,000
Expected retiree premium contributions	5,000	16,000	4,000	2,000	22,000	24,000
Employer contributions	<u>\$ 49,000</u>	<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	\$ 4,538,500	\$ 3,887,352	\$ 3,887,352	\$ 3,788,616	\$ 3,788,616
Contributions as a percentage of covered payroll	0.11%	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, 2023**

	Cost				Accumulated Depreciation			
	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
Equipment	\$ 10,295,415	\$ 526,095	\$ -	\$ 10,821,510	\$ 8,851,317	\$ 350,974	\$ -	\$ 9,202,291
Transportation equipment	2,053,807	48,805	-	2,102,612	1,185,790	218,103	-	1,403,893
Infrastructure	21,780,467	10,620,890	-	32,401,357	11,076,854	540,408	-	11,617,262
Land and improvements	298,056	-	-	298,056	10,511	-	-	10,511
Structures	1,861,510	-	-	1,861,510	1,174,071	14,775	-	1,188,846
Total placed in service	36,289,255	11,195,790	-	47,485,045	22,298,543	1,124,260	-	23,422,803
Construction in progress	5,669,321	7,304,099	(10,620,890)	2,352,530	-	-	-	-
Total capital assets	\$ 41,958,576	\$ 18,499,889	\$ (10,620,890)	\$ 49,837,575	\$ 22,298,543	\$ 1,124,260	\$ -	\$ 23,422,803

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - WATER FUND
Year Ended June 30, 2023**

	Cost				Accumulated Depreciation			
	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
Equipment	\$ 804,774	\$ 77,488	\$ -	\$ 882,262	\$ 527,649	\$ 77,042	\$ -	\$ 604,691
Transportation equipment	724,873	-	-	724,873	524,951	60,571	-	585,522
Infrastructure	53,025,298	706,766	-	53,732,064	14,916,050	1,078,034	-	15,994,084
Land and improvements	116,175	-	-	116,175	-	-	-	-
Structures	725,001	-	-	725,001	585,510	6,505	-	592,015
Total placed in service	55,396,121	784,254	-	56,180,375	16,554,160	1,222,152	-	17,776,312
Construction in progress	946,652	245,612	(742,725)	449,539	-	-	-	-
Total capital assets	\$ 56,342,773	\$ 1,029,866	\$ (742,725)	\$ 56,629,914	\$ 16,554,160	\$ 1,222,152	\$ -	\$ 17,776,312

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - SEWER FUND
Year Ended June 30, 2023**

	Cost				Accumulated Depreciation			
	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
Equipment	\$ 3,132,336	\$ 155,772	\$ -	\$ 3,288,108	\$ 1,770,805	\$ 335,205	\$ -	\$ 2,106,010
Transportation equipment	1,414,636	88,950	-	1,503,586	1,029,431	128,704	-	1,158,135
Infrastructure	30,026,707	727,081	-	30,753,788	21,999,461	561,674	-	22,561,135
Land and improvements	526,043	-	-	526,043	-	-	-	-
Structures	4,632,940	27,802	-	4,660,742	679,251	115,498	-	794,749
Total placed in service	39,732,662	999,605	-	40,732,267	25,478,948	1,141,081	-	26,620,029
Construction in progress	993,189	94,218	(734,141)	353,266	-	-	-	-
Total capital assets	\$ 40,725,851	\$ 1,093,823	\$ (734,141)	\$ 41,085,533	\$ 25,478,948	\$ 1,141,081	\$ -	\$ 26,620,029

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**CAPITAL ASSETS SCHEDULE - STORMWATER FUND
Year Ended June 30, 2023**

	Cost				Accumulated Depreciation			
	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation equipment	-	-	-	-	-	-	-	-
Infrastructure	715,217	6,747	-	721,964	-	17,894	-	17,894
Land and improvements	-	-	-	-	-	-	-	-
Structures	-	-	-	-	-	-	-	-
Total placed in service	715,217	6,747	-	721,964	-	17,894	-	17,894
Construction in progress	390,668	-	(1,723)	388,945	-	-	-	-
Total capital assets	\$ 1,105,885	\$ 6,747	\$ (1,723)	\$ 1,110,909	\$ -	\$ 17,894	\$ -	\$ 17,894

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**SCHEDULE OF INVESTMENTS
June 30, 2023**

Description	Interest Rate	Maturity Date	Cost	Fair Value
Electric Fund				
US Treasury Notes	3.12%	8/10/2023	\$ 237,551	\$ 237,551
US Treasury Notes	4.81%	8/10/2023	244,145	244,145
US Treasury Notes	4.90%	8/17/2023	488,075	488,075
Enerbank USA	3.20%	8/30/2023	248,000	247,139
US Treasury Notes	4.96%	10/26/2023	781,258	781,258
UBS Bank USA	3.50%	10/27/2023	248,000	246,553
US Treasury Notes	5.24%	11/24/2023	503,807	503,807
Toyota Financial SGS Banks	0.60%	8/12/2024	248,000	235,034
BMW Bank North America	0.35%	10/30/2024	246,000	229,849
Discover Bank	3.10%	5/27/2025	245,000	224,900
Sallie Mae Bank	0.85%	5/27/2025	245,000	234,817
Malaga Bank FSB	0.70%	5/29/2025	245,000	225,286
Financial Federal Sav Bank	0.65%	5/29/2025	245,000	223,828
Medallion Bank Utah CD	0.40%	10/30/2025	247,000	219,952
US Treasury Notes	0.75%	4/30/2026	164,236	147,613
Goldman Sachs Bank USA CD	1.00%	8/4/2026	220,000	192,760
Live Oak Banking Company CD	0.90%	10/19/2026	248,000	214,497
IntraFi Network Deposits (CDARS)	4.83%	7/13/2023	1,517,837	1,517,837
F&M Bank CD 26522	4.10%	11/26/2023	1,000,000	1,000,000
F&M Bank CD 24617	3.15%	1/25/2024	1,000,000	1,000,000
F&M Bank CD 24842	2.50%	8/7/2024	248,000	248,000
F&M Bank CD 24962	1.95%	10/30/2024	248,000	265,480
F&M Bank CD 25166	1.40%	3/10/2025	100,000	104,650
F&M Bank CD 25196	1.65%	4/21/2025	248,000	260,558
F&M Bank CD 25202	1.60%	5/8/2025	245,000	257,022
F&M Bank CD 25205	1.25%	5/13/2025	245,000	254,347
F&M Bank CD 25286	1.25%	9/30/2025	247,000	255,619
Total Electric Fund			<u>10,202,909</u>	<u>10,060,577</u>
Sewer Fund				
Synchrony Bank	3.10%	10/10/2024	<u>120,000</u>	<u>120,000</u>
Total investments			<u><u>\$ 10,322,909</u></u>	<u><u>\$ 10,180,577</u></u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**SCHEDULE OF TOP TEN UTILITY CUSTOMERS
Year Ended June 30, 2023**

Electric Fund

Rank	Customer	Annual Kilowatt Hours (kWh)	Percent of Total
1	General Mills	46,312,745	19.93%
2	Spartan Light Metal Products	15,789,200	6.79%
3	Board of Public Works	8,230,845	3.54%
4	Watlow Electric Manufacturing Co.	7,893,420	3.40%
5	Enduro Industries	6,204,800	2.67%
6	Hannibal Public Schools	5,106,434	2.20%
7	Walmart Stores Inc.	3,792,600	1.63%
8	Hannibal-LaGrange University	3,350,506	1.44%
9	Niemann Foods Inc.	2,557,040	1.10%
10	Consolidated Machine & Welding	1,506,820	0.65%

Water Fund

Rank	Customer	Annual Gallons	Percent of Total
1	General Mills	259,908,884	30.02%
2	Board of Public Works	99,657,274	11.51%
3	Hannibal Regional Hospital	14,202,703	1.64%
4	Levering Care Center	8,952,060	1.03%
5	Hannibal Public Schools	6,751,031	0.78%
6	Watlow Electric Manufacturing Co.	5,290,046	0.61%
7	Parks and Recreation	5,217,633	0.60%
8	Hannibal-LaGrange University	5,105,320	0.59%
9	Spartan Light Metal Products	3,679,552	0.42%
10	Hannibal Country Club	3,341,992	0.39%

Sewer Fund

Rank	Customer	Annual Gallons	Percent of Total
1	General Mills	*	*
2	Hannibal Regional Hospital	14,202,703	2.05%
3	Levering Care Center	8,952,060	1.29%
4	Hannibal Public Schools	6,686,603	0.97%
5	Parks and Recreation	5,185,124	0.75%
6	Hannibal-LaGrange University	5,008,796	0.72%
7	Spartan Light Metal Products	3,679,552	0.53%
8	Beloved Health & Rehabilitation Center	3,332,048	0.48%
9	Luther Manor	3,153,638	0.46%
10	SWB Hospitality LLC	2,729,002	0.39%

*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, 2023 and 2022

	Unit	2023	2022
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		51.41	52.48
Maximum peak load operation	MW	53	55
Investment per capita	\$	2,958.18	3,167.73
Total operating revenue per \$100 investment	\$	45.21	42.90
Ratio of total operating expenses to total operating revenue	%	111.41%	84.33%
Operating (loss) profit per \$100 investment	\$	(5.16)	6.72
Total purchased power cost per kWh	\$	0.0779	0.0508
Average price received per kWh sold	\$	0.0984	0.0982
Operating (loss) profit per kWh sold	\$	(0.0112)	0.0154
Average residential use	kWh	10,282	10,328
Total kWh purchased	kWh	239,730,000	251,248,000
Total kWh sold	kWh	232,420,654	236,796,882
Customers at end of year:			
Residential		7,612	7,781
Commercial		1,068	1,082
Industrial		115	116
		<u>8,795</u>	<u>8,979</u>

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**COMPARATIVE STATEMENT OF OPERATING FACTORS
WATER FUND**

Years Ended June 30, 2023 and 2022

	Unit	2023	2022
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		46.02	46.87
Capacity per day	Gallon	7,500,000	7,500,000
Maximum production per day	Gallon	4,292,000	4,240,930
Average production per day	Gallon	3,158,989	3,153,783
Investment per 1,000 gallons sold	\$	54.22	60.13
Investment per capita	\$	2,744.05	2,783.61
Total operating revenue per \$100 investment	\$	14.39	12.97
Ratio of total operating expenses to operating revenue	%	85.10%	85.86%
Operating profit per \$100 investment	\$	2.14	1.83
Average price received per 1,000 gallons	\$	7.80	7.80
Average cost per 1,000 gallons	\$	6.64	6.69
Customers at end of year:			
Residential		7,066	7,205
Commercial		807	814
		7,873	8,019

**CITY OF HANNIBAL
BOARD OF PUBLIC WORKS**

**COMPARATIVE STATEMENT OF OPERATING FACTORS
SEWER FUND**

Years Ended June 30, 2023 and 2022

	Unit	2023	2022
Population served per 2020 Census		17,108	17,108
Number of customers per 100 population		44.23	45.06
Investment per capita	\$	1,221.06	1,228.03
Total revenue per \$100 investment	\$	26.31	26.09
Ratio of total operating expenses to total operating revenue	%	87.56%	83.78%
Operating profit per \$100 investment	\$	3.27	4.23
Total treatment cost per million gallons	\$	4,179.61	2,806.04
Average price received per million gallons treated	\$	4,773.50	3,349.21
Operating profit per million gallons treated	\$	593.89	543.17
Total gallons treated	Gallon	1,151,343,000	1,636,900,000
Total gallons from water plant	Gallon	1,153,030,985	1,151,130,795
Customers at end of year:			
Residential		6,820	6,953
Commercial		747	756
		<u>7,567</u>	<u>7,709</u>