

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

of the

**CITY
OF
NORFOLK
NEBRASKA**

for the year ended

September 30, 2009

CITY OF NORFOLK, NEBRASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*for the
fiscal year
ended
September 30, 2009*

Prepared by:
The Finance Division

CITY OF NORFOLK, NEBRASKA

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CITY OF NORFOLK, NEBRASKA

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INTRODUCTORY SECTION

City of Norfolk

(402) 844-2000
Fax: (402) 844-2001

127 North 1st Street
Norfolk, Nebraska 68701

March 29, 2010

**Honorable Mayor, City Council,
and Citizens of Norfolk
City of Norfolk, Nebraska**

The comprehensive annual financial report of the City of Norfolk for the fiscal year ended September 30, 2009 is hereby submitted. State law requires cities to issue within six months of fiscal year end a set of audited financial statements. This report fulfills this requirement for the fiscal year ended September 30, 2009.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Williams & Company, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with generally accepted accounting

principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Norfolk was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

CITY PROFILE

The City of Norfolk is located in Madison County, a prime agricultural region in northeast Nebraska, approximately 112 miles northwest of Omaha and 121 miles north of the state capital of Lincoln.

The City was incorporated September 12, 1881, and utilizes the mayor and council form of government. The Council is elected on a nonpartisan basis. Council members serve four year staggered terms with four council members elected every two years. The mayor serves a four-year term. The City is divided into four wards and each ward is represented by two council members with staggered terms.

The City provides a full range of services. These services include police and fire protection; the construction and maintenance of streets and infrastructure; recreational activities; a public library; a system of parks; planning, zoning, health, and housing; water and sewer utilities; off-street parking facilities; and a solid waste transfer station. In addition to general government activities, the governing body oversees the City's various employee retirement systems and these activities are included in the reporting entity. The Community Development Agency created by the Mayor and Council to provide for redevelopment of blighted areas throughout the City is included because of the significance of its operational and financial relationships with the City. However, the Norfolk Housing Agency does not meet the established criteria for inclusion in the reporting entity, and is excluded from the report. The Agency issues its own financial statements which are available upon request from its office at 110 North Fourth Street.

The Council is required to adopt a final budget by no later than September 20 of the prior fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, and department. The budget includes all funds of the City except fiduciary funds (Retirement Funds) and component units (Community Development Agency).

The budget modification process depends on the type of modification being sought. If a department or division head wishes to purchase unbudgeted machinery, tools or equipment, he can choose to do so by exchanging it for another item within the same account. If an exchange is not possible and the item is not deferrable, the City Administrator must review and approve the request, or at his discretion, the Mayor and City Council. Exchanges of budgetary authority between accounts is generally not allowed. If any piece of equipment fails and was unforeseen at budget time, purchasing normally approves replacement up to \$1,000. Amounts over \$1,000 are approved by the City Administrator or the Mayor and City Council.

ECONOMIC CONDITION AND OUTLOOK

Each year City departments and divisions submit their budget requests in three service levels. The first level assumes the same amount of funding authorized in the prior year which is a reduced service level since budgets must absorb inflation and growth to maintain service. The second level is a 4% increase over the prior year and is the maintenance level. This increase should approximately match growth and inflation over the long-term. The third level contains no expenditure constraints and is the level the department or division head feels is ideal.

If expenditures grow at 4% to maintain service levels, revenues must also grow at 4%. However, the City's largest General Fund revenue source, sales tax, has not kept pace. Sales tax alone makes up about half of all General Fund revenues. Actual sales tax receipts for the City's original 1% sales tax have been up five out of the last nine years and down the other four.

City sales tax collections have remained relatively flat since the fiscal year ended September 30, 2000. Actual receipts from the City's 1% sales tax were \$4,022,480 in the fiscal year ended September 30, 2000 and \$4,485,523 in the fiscal year ended September 30, 2009, an 11.5% increase over the last nine years.

An additional half-cent City sales tax authorized by voters in fiscal year 2002-2003 provided \$1 million of property tax relief with the balance for public safety expenditures. Original projections for this half-cent sales tax were prepared in May 2002. These projections also need to absorb inflation and growth at an assumed 4% rate. From May 2002 through fiscal year 2008-2009, receipts for the half-cent sales tax lagged the 4% growth rate by a cumulative \$1.9 million. Total City sales tax lagged behind the 4% annual growth rate by a cumulative \$7.9 million between 2001 and 2009.

Sales tax receipts continue their slow growth pattern. The sales tax receipts for the fiscal year ending September 30, 2009 are only up .6% from the fiscal year ending September 30, 2008. Sales tax receipts the first five months of fiscal year 2009-2010 also show little growth, growing less than 1% from the same period in fiscal year 2008-2009. Sales tax in the first five months of fiscal year 2009-2010 likely would have declined from fiscal year 2008-2009 except for construction of a 30-inch oil pipeline from Canada which ran just east of Norfolk. 750 workers, along with associated family members, moved into the area in August to work on this pipeline. Their weekly payroll in the Norfolk area was about \$1

million with 30% of it estimated to be spent locally. This had a positive impact on the local economy and City sales tax receipts. These workers remained in the area for about three months and moved out of the area in November. The Nebraska Department of revenue collects local sales tax for Nebraska cities and cities receive sales tax from the State the second month after the sales are made. Because of this, August sales are reflected in the City's sales tax receipts for October. Sales tax receipts for the first three months of fiscal year 2009-2010 were all up from the same months in fiscal year 2008-2009. Receipts for these three months were up \$68,239 from the prior year or over 4%. The City's sales tax receipts for January were down over \$5,400 or almost 1% from January of the prior year. This reflects November sales which is the month pipeline workers were moving out of the area. February sales tax receipts, reflecting December sales, were down even more, decreasing almost 4.7% or almost \$34,000 from the prior year reflecting the first full month without pipeline workers in the area. The pipeline was the third largest employer in the Norfolk area during the time they were here.

The largest local construction project currently underway is construction of a \$58 million bed tower at Faith Regional Health Services. This project started in the fall of 2008 and is expected to be finished this summer. There were about 200 workers on site last construction season. This project will allow patient room size to increase from 120 square feet to 320 square feet and will accommodate not only the patient, but also the patient's family and technology needed to care for the patient. A dining room is also being provided along with space for future expansion of up to 39 beds.

Northeast Community College started construction of a \$7.7 million college welcome center on their campus in Norfolk in 2008. This 45,000 square foot building opened October 15, 2009 and is a one-stop shop for students that includes welcome/reception area, testing and academic advisement area, financial aid offices, student counseling facilities and the business offices for payment of tuition and fees. There are also conference rooms for the many student groups and organizations.

Construction was completed this year on a new 47,000 square foot facility housing the Nucor Detailing Center in Norfolk. Detailers make sure products manufactured by Nucor meet the customer's specific needs utilizing a computerized design process. There are various Nucor plants throughout the country and all Nucor detailing work is now done in Norfolk. Nucor utilized a temporary facility at the former Vishay Manufacturing plant with 65 employees. The new detailing facility accommodates about 200 employees with the ability to add a second and third phase as the need for more employees grows in the future. Nucor now has four divisions in Norfolk: Nucor Steel, Nucor Cold Finish, Vulcraft and the detailing center making Nucor one of the largest Norfolk employers.

Nebraska Public Power District (NPPD) began construction of an 87,000 square-foot operation center in Norfolk last construction season with an estimated cost of \$20.4 million. This facility is located adjacent to NPPD's centralized customer care center at 1100 South Chestnut Street and also adjacent to the new Nucor detailing center. This facility will bring four of NPPD's Norfolk area operations and customer service activities together in one location including the customer care center at 4th Street and Madison Avenue, the distribution service center at 8th Street and Madison Avenue, the transmission/substation operations group on East Omaha Avenue, along with NPPD's existing Norfolk pole yard.

This will provide greater overall efficiency, save money and enhance customer service. The center is expected to be a Leadership in Energy and Environmental Design (LEED) gold-certified building. Three small wind turbines and a photovoltaic array will produce electricity for the center.

Other economic indicators are mixed. In February 2006, Norfolk's largest employer, Tyson Foods, which operated a beef processing plant on the edge of Norfolk, closed putting 1,300 Norfolk employees out of work. This plant closure resulted in large population declines over the last several years with Norfolk's estimated population declining from 23,968 at July 1, 2005 to 22,940 at July 1, 2008. The Norfolk micropolitan area made up of Pierce, Stanton and Madison Counties, experienced the largest population loss from 2006-2007 of any micropolitan area in the United States. Declining population also brought about declining school enrollment which went from 3,941 in 2006 to 3,821 in 2008. Enrollment increased to 3,871 in 2009. Since many former Tyson employees left Norfolk, the unemployment rate stayed relatively stable with the shrinking labor force. The most recent assessed valuation which was released August 20, 2009, shows taxable property in Norfolk valued at \$1,180,085,751, an increase of 3.3% from the prior year. Bank deposits increased 4.8%, and per capita income 8.5%.

LONG-TERM FINANCIAL PLANNING

The City's long-term financial planning process starts with the Council selecting the City's top priorities at a Council/Staff Retreat. These priorities are incorporated into the capital improvement program (CIP), budget, and long-term financial plan (LTFP). The LTFP monitors the effect of large capital projects out ten years and revenue and expenditure trends out six years along with expected levy rates. The City annually prepares a ten-year CIP. This program outlines capital needs for the next ten years and identifies potential funding sources. These projects are prioritized in the categories of urgent, necessary, desirable or deferrable. The most recent CIP was approved at the September 14, 2009 council meeting when the 2009-2010 budget was approved.

Last year the City hired Black and Veatch to update the 2002 Water Master Plan and develop a Sewer Master Plan. The Council reviewed these plans and related rate studies at a Council Work Session on September 15, 2008. These rate studies projected sewer and water rate increases needed through fiscal year 2013. At the October 6, 2008 Council meeting, the Council increased water rates 4% and sewer rates 15% effective November 1, 2008 as indicated by the rate studies. At the September 14, 2009 Council meeting, water and sewer rates were increased 10% effective October 1, 2009.

SIGNIFICANT EVENTS

On October 2, 2008, Protient closed its Norfolk manufacturing facility with 65 employees. Protient produced whey proteins, lactose and milk protein concentrates for use in products like nutritional bars, sports drinks, infant formula and cereal at its Norfolk plant. Protient was a large City utility customer. Because the plant was shut down during fiscal year 2008-2009, both water and sewer revenues were relatively unchanged from the prior year despite rate increases effective November 1, 2008. This winter Milk Specialties Company purchased the plant from Protient. Milk Specialties operations will be similar to Protient

with similar utility usage expected. The City applied for a \$505,000 Community Development Block Grant through the Nebraska Department of Economic Development to be loaned to Milk Specialties Company for part of the purchase price of the facility.

Peterbilt of Norfolk opened a new truck dealership in Norfolk at the intersection of Highway 81 and Monroe Avenue in December 2008 relocating from a smaller facility on Monroe Avenue. This area is in the Crafts Redevelopment Plan. Crafts acquired it and demolished the Roman Packing facility at the southeast corner of Highway 81 and Monroe Avenue to construct this new 18,000 square foot facility. This new facility allowed the company to expand its operation from parts and light service to retail truck sales and full service doubling their number of full-time employees from 9 to 18. This month the Community Development Agency issued a \$141,500 tax increment financing bond to reimburse the developer for site clearance and preparation.

Construction is now underway on a new College of Nursing facility at the Northeast Community College campus in Norfolk. Northeast Community College is cooperating with the University of Nebraska on the University of Nebraska Medical Center College of Nursing Northern Division in Norfolk in conjunction with Faith Regional Health Services. This Division will serve northeast and north central Nebraska and will help alleviate a shortage of nurses that is expected to worsen with the growing regional demand for health services. The College completed a successful fundraising campaign for the facility raising about \$11.9 million. The City has agreed to contribute \$1 million to the project by making quarterly payments of \$50,000 over a 5-year period. These funds will come from revenue previously committed to fund other organizations.

On January 30 and 31, 2009, the Mayor and City Council conducted their goal setting retreat with City staff. One of the Council's top five priorities developed at this retreat was to enhance economic development efforts including placing an LB 840 program on the ballot for consideration by Norfolk voters. LB 840 was the legislative bill approved by the Nebraska Legislature in 1991 adopting the Local Option Municipal Economic Development Act. This Act authorizes cities to spend local sales or property tax revenue for economic development including offering incentives to attract business. An LB 840 program must be approved by the city's voters. The City has been working with local economic development partners to place LB 840 in front of voters. At the March 1, 2010 City Council meeting, the Council passed a resolution placing an LB 840 program on the May primary election ballot. This program would authorize collecting \$400,000 from property tax for each of the next ten years to finance this LB 840 program.

AWARDS AND ACKNOWLEDGEMENTS

CERTIFICATE OF ACHIEVEMENT. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norfolk for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twenty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

DISTINGUISHED BUDGET PRESENTATION AWARD. In addition, the City has also received the GFOA's Distinguished Budget Presentation Award for the last sixteen years, the most recent for the 2008-2009 budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS. The timely preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Division. Each member of the division has my sincere appreciation for the contributions made in the preparation of this report. I also thank the Mayor and City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Sincerely,

CITY OF NORFOLK

A handwritten signature in black ink, appearing to read "Randy Gates", with a long, sweeping horizontal line extending to the right.

Randy Gates, CPA
Finance Officer

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norfolk, Nebraska for its comprehensive annual financial report for the fiscal year ended September 30, 2008.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting to GFOA to determine its eligibility for another certificate.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norfolk
Nebraska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

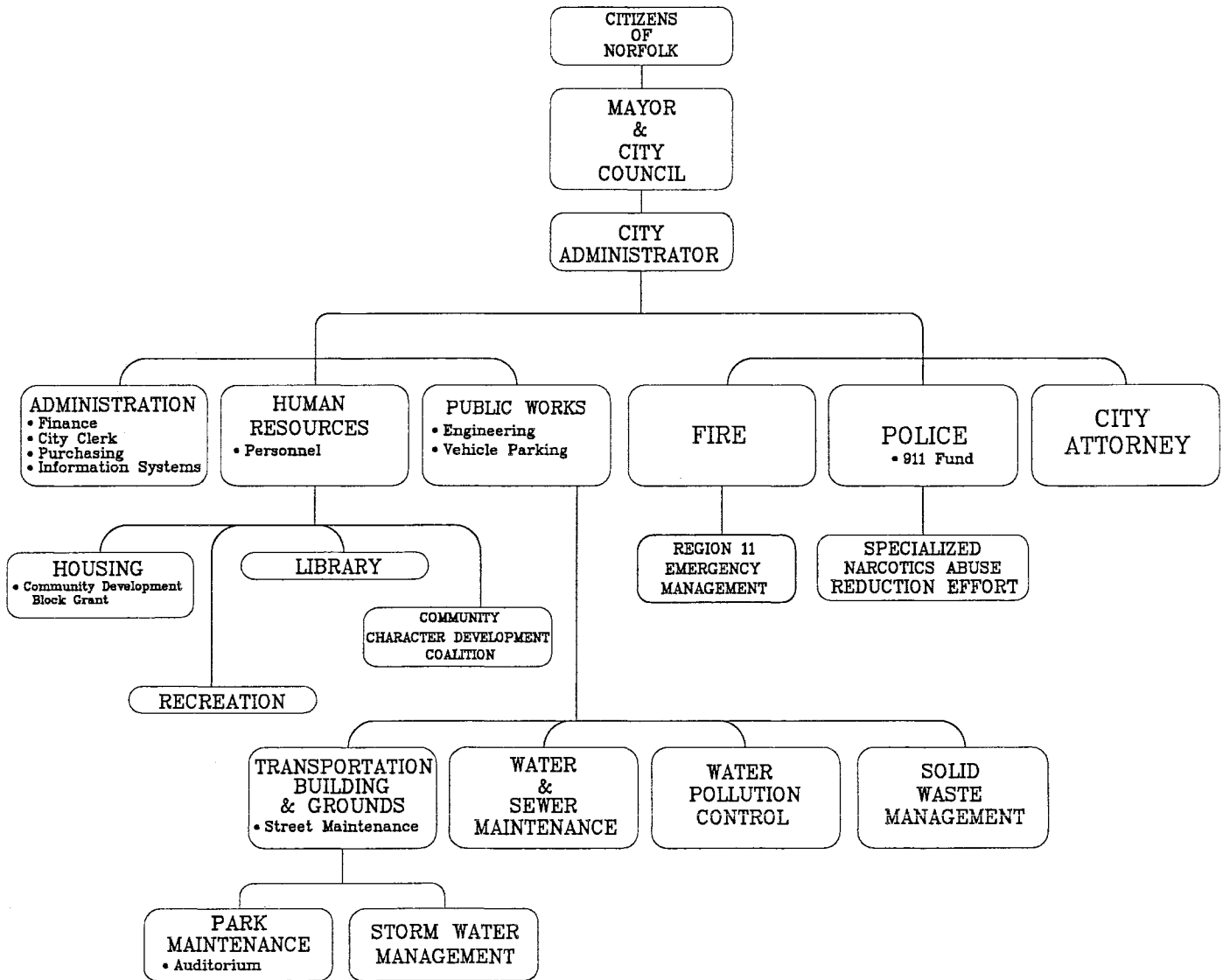
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Norfolk, NE Organizational Chart



CITY OF NORFOLK, NEBRASKA

List of Principal Officials

October 1, 2009

Title	Name
Mayor	Sue Fuchtman
Council Member	Jim Brenneman
Council Member	Dale Coy
Council Member	Dave Fauss
Council Member	Jim Lange
Council Member	Karl Reeder
Council Member	Vicki Saunders
Council Member	Ivan Van Dyke
Council Member	Erik Wilson
City Administrator	Al Roder
City Attorney	Clint Schukei
Information Systems Manager	Jim McKenzie
Director of Public Works	Dennis Smith
Water and Sewer Director	Dennis Watts
Wastewater Plant Superintendent	Todd Boling
Solid Waste Manager	Gary Lund
Transportation, Building & Grounds Director	Jim Koch
Park & Building Maintenance Superintendent	Pat Mrsny
Housing Director	Sheila Miller
Library Director	Michael Caldararo
Police Chief	William Mizner
Fire Chief	Shane Weidner
Finance Officer	Randy Gates
City Clerk	Elizabeth A. Deck
Property/Operations Manager	Gary Miller
Human Resources Director	Sheila Schukei

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FINANCIAL SECTION



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of the City Council
City of Norfolk, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk, Nebraska, (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Section 84-304.01 of the *Revised Statutes of Nebraska*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2010 on our consideration of the City of Norfolk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section and Statistical Section is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Norfolk. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying other supplementary information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 29, 2010

Management Discussion and Analysis

September 30, 2009

This discussion and analysis of the City of Norfolk's financial performance provides an overview of the City's financial activities for the fiscal year ending September 30, 2009. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page 1 and the City's financial statements that follow this report.

Financial Highlights:

- The assets of the City of Norfolk exceeded liabilities at September 30, 2009, by \$89,923,171. Of this amount, \$21,036,284 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$1,803,045 during the year. Of this amount, the assets of Governmental Activities increased \$1,199,625 and the assets of Business Activities increased \$603,420.
- Bonds payable increased \$496,282. Outstanding revenue bonds total \$7,748,120, general obligation bonds \$3,720,000, and special assessment bonds \$2,405,000 backed by the City's full faith and credit.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is "*Is the City of Norfolk in a better financial position at the end of this fiscal year, compared to last year?*" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net assets, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure, are also important in making this determination.

In the Statement of Net Assets and the Statement of Activities, we divided the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, such as Police, Fire, Public Works, Parks and general administration. Sales tax, revenue from lease of the City's electrical distribution system, property tax and state and federal grants finance most of these activities.
- **Business Type Activities** – The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, and Solid Waste funds.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also established funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as grant revenues). The City has the following types of funds:

- **Governmental Funds** – Most of the City’s basic services are included in Governmental Funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the “modified accrual basis” of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed short-term view of the City’s general governmental operations and basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between Governmental Activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds in a reconciliation following each Governmental Fund financial statement.
- **Proprietary Funds** – When the City charges customers for the service it provides, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the Proprietary Funds report and the Business Type Activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the Proprietary Funds report.

THE CITY AS TRUSTEE

Reporting the City’s Fiduciary Responsibilities

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City government. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary Funds statements.

THE CITY AS A WHOLE

As stated earlier, net assets may serve over time as a useful indicator of a government’s financial position. The largest part of the City’s net assets reflects its investment in capital assets (land, buildings and improvements, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related

debt, it should be noted that the resources needed to repay this debt must be provided from the other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For the year ended September 30, 2009, net assets were as follows:

City of Norfolk's Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 18,385,799	\$ 18,242,635	\$ 9,918,840	\$ 9,607,556	\$ 28,304,639	\$ 27,850,191
Capital assets	43,115,941	42,942,924	36,252,554	36,767,617	79,368,495	79,710,541
Total assets	61,501,740	61,185,559	46,171,394	46,375,173	107,673,134	107,560,732
Long-Term Liabilities	7,986,177	8,393,059	7,962,965	8,746,229	15,949,142	17,139,288
Other liabilities	1,441,413	1,917,975	359,408	383,343	1,800,821	2,301,318
Total liabilities	9,427,590	10,311,034	8,322,373	9,129,572	17,749,963	19,440,606
Net assets:						
Invested in capital assets, net of related debt	36,650,941	35,777,924	28,504,434	28,220,779	65,155,375	63,998,703
Restricted	1,218,131	1,255,485	2,513,381	2,479,789	3,731,512	3,735,274
Unrestricted	14,205,078	13,841,116	6,831,206	6,545,033	21,036,284	20,386,149
Total net assets	\$ 52,074,150	\$ 50,874,525	\$ 37,849,021	\$ 37,245,601	\$ 89,923,171	\$ 88,120,126

A portion of net assets (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net assets of \$21,036,284 and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City has positive balances in all three categories of net assets, both for the City as a whole as well as for the separate Governmental and Business-Type Activities. The same situation held true for the prior fiscal year.

The biggest change in fund balance is the \$1,156,672 increase in net assets invested in capital assets, net of related debt. This increase is mostly in governmental activities which went from \$35,777,924 last year to \$36,650,941 this year, an increase of \$873,017. This is primarily due to a reduction in debt for capital assets because of special assessment bond anticipation notes paid with cash from special assessment collections.

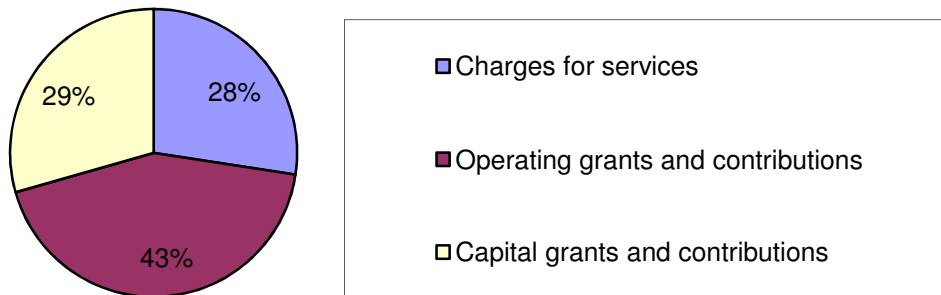
Total revenue reported in Fiscal 2009 was \$27,709,496. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

City of Norfolk's Changes in Net Assets

	General Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 1,811,222	\$ 1,879,650	\$ 6,253,056	\$ 6,306,423	\$ 8,064,278	\$ 8,186,073
Operating grants and contributions	2,849,515	2,805,130	-	-	2,849,515	2,805,130
Capital grants and contributions	1,942,912	757,509	144,210	175,807	2,087,122	933,316
Total Program Revenues	6,603,649	5,442,289	6,397,266	6,482,230	13,000,915	11,924,519
General Revenues:						
Property taxes	1,944,230	1,694,912	-	-	1,944,230	1,694,912
Sales taxes	6,760,144	6,750,098	-	-	6,760,144	6,750,098
Other taxes	199,591	199,225	-	-	199,591	199,225
Occupation and franchise taxes	873,472	883,195	-	-	873,472	883,195
Interest	251,126	430,171	165,386	286,953	416,512	717,124
General intergovernmental revenues	260,190	253,856	-	-	260,190	253,856
Keno Revenues	428,302	29,141	-	-	428,302	29,141
Use of property	3,418,900	3,270,414	-	-	3,418,900	3,270,414
Gain (loss) on sales of assets	-	8,170	-	-	-	8,170
Revenue from Sale of Uncapitalized Property	44,059	9,985	-	-	44,059	9,985
Miscellaneous	363,181	47,709	-	-	363,181	47,709
Interfund Transfers	(27,194)	-	27,194	-	-	-
Total General Revenues	14,516,001	13,576,876	192,580	286,953	14,708,581	13,863,829
Total Revenues	21,119,650	19,019,165	6,589,846	6,769,183	27,709,496	25,788,348
Expenses:						
General Government	2,363,397	1,984,006	-	-	2,363,397	1,984,006
Public Safety	7,841,533	7,638,269	-	-	7,841,533	7,638,269
Public Works	5,664,242	4,513,410	-	-	5,664,242	4,513,410
Public Library	1,173,863	1,123,880	-	-	1,173,863	1,123,880
Parks, Recreation and Public Property	1,604,612	1,383,166	-	-	1,604,612	1,383,166
Community Improvement and Development	999,898	543,549	-	-	999,898	543,549
Debt Service	272,480	296,199	-	-	272,480	296,199
Water System	-	-	1,877,440	1,925,737	1,877,440	1,925,737
Sewer System	-	-	2,529,041	2,691,318	2,529,041	2,691,318
Solid Waste	-	-	1,579,945	1,672,295	1,579,945	1,672,295
Total Expenses	19,920,025	17,482,479	5,986,426	6,289,350	25,906,451	23,771,829
Increase in Net Assets	1,199,625	1,536,686	603,420	479,833	1,803,045	2,016,519
Net Assets - Beginning	50,874,525	49,337,839	37,245,601	36,765,768	88,120,126	86,103,607
Net Assets - Ending	\$ 52,074,150	\$ 50,874,525	\$ 37,849,021	\$ 37,245,601	\$ 89,923,171	\$ 88,120,126

Program revenues totaled \$13,000,915. \$6,397,266 was program revenues from Business-Type Activities which is consistent with the prior year, in spite of rate increases effective November 1, 2008. Offsetting the rate increases was a decrease in usage when Protient closed its Norfolk manufacturing facility October 2, 2008. Protient was a large City utility customer. Program revenues in the General Governmental activities increased \$1,161,360 from the prior year primarily due to a \$1,185,403 increase in capital grants and contributions due to levying almost \$1.4 million of special assessments.

Program Revenues General Governmental

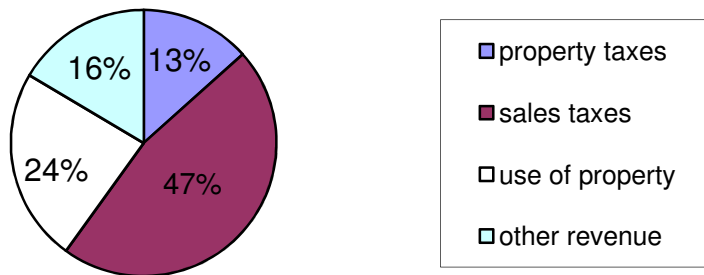


General revenues for Governmental Activities went from \$13,576,876 in 2008 to \$14,516,001 in 2009, an increase of \$939,125 or 6.9%. The largest general revenue source is sales tax which, as discussed in the transmittal letter, is flat with almost no change from the prior year. Sales tax both years was about \$6.8 million, close to half of total general revenues for Governmental Activities. The largest increase in general revenues for General Governmental Activities was in the miscellaneous category which went from \$47,709 last year to \$363,181 in the current year, an increase of \$315,472 or 661%. The biggest portion of this increase is due to a \$120,826 dividend distribution from the League Association of Risk Management (LARM). This is the first dividend LARM declared in its thirteen year existence and recognizes LARM has now accumulated sufficient reserves to start returning some to its members. The City also received a \$106,483 distribution from MBA Joint Housing Venture, a joint venture between the City and Elkhorn Valley Community Development Corporation to construct affordable housing in the Meadow Ridge Subdivision. Also included in the miscellaneous category is over \$70,000 of drug forfeiture money as a result of operations of the Specialized Narcotics Abuse Reduction Effort, a multi-jurisdictional drug enforcement task force administered by the City. The second largest increase in General Revenues is in property tax which went from \$1,694,912 last year to \$1,944,230 in the current year, an increase of \$249,318 or almost 15%. General Fund property tax increased to fund economic development expenditures, some formally paid by the Water Fund, and increased personnel and handi-bus expenditures. Keno Revenues increased

\$399,161 going from \$29,141 last year to \$428,302 in the current year. Norfolk voters approved keno at the May 2008 primary election with initial implementation at the end of fiscal year 2007-2008. Fiscal year 2008-2009 reflects a full year of keno operation. The largest decrease in General Revenues is in interest income which went from \$430,171 last year to \$251,126 in the current year, a decrease of \$179,045 or 42% due to declining interest rates.

The following chart breaks down General Revenues for General Governmental Activities by source:

General Revenues General Governmental



Total expenses increased \$2,134,622 or almost 9%. Expenses in Governmental Activities increased \$2,437,546 or almost 14%. Partially offsetting this was a \$302,924 decrease in Business-Type Activities.

The biggest increase in expenses was in public works which went from \$4,513,410 last year to \$5,664,242 in the current year, an increase of \$1,150,832 or 25%. There was an \$800,000 increase in street maintenance contract work paid for out of the CHAF Fund. Also expensed in the current year was \$518,242 of costs for the U.S. Highway 81 and Monroe Avenue improvements. This is the City's share of improvements owned by the State.

The second biggest increase in expenses was in community improvement and development which went from \$543,549 last year to \$999,898 this year. The biggest portion of this increase was due to spending accumulated program income to rehabilitate low-income housing. The third largest increase was in general government expenses which went from \$1,984,006 last year to \$2,363,397 this year, an increase of 19%. Over \$76,000 of this increase was expenses related to keno. At the May 2008 primary, voters approved keno. Keno started up in late August 2008; however, keno revenue and related expenses were inconsequential last year. In the current fiscal year, keno revenue was in excess of \$428,000. The cost of administering the program, including the state lottery

tax, audit and other administration expenses exceeded \$76,000 last year. The remaining keno proceeds have been committed by the Council for a four-year period to parks and recreation and this is the primary reason for the \$221,446 increase in Parks and Recreation expense this year. Operating income in the Internal Service Fund decreased \$103,857 from the prior year. Since operating income in the Internal Service Fund is credited to general government expenses, this contributed to the increase in general government expenses. In August 2008, the City Council increased the maximum amount of sick leave which could be accrued from 1,040 to 1,200 hours. Upon termination in good standing, employees with greater than 20 years of service have 40% of their unpaid sick leave placed into the post employment health plan, those with 15 years of service 25% and those with 10 years of service 10%. Since administration has a large number of long-standing employees with large amounts of accumulated sick leave, this increased sick leave these employees accrued during fiscal year 2008-2009 resulting in an increase in general government expenses of \$82,204 compared to the prior year. General government expenses also include \$64,032 of funding for economic development organizations previously paid from the Water Fund and \$30,000 of handi-bus funding previously paid by the Housing Agency.

Expenses for Business-Type Activities decreased \$302,924 going from \$6,289,350 in 2008 to \$5,986,426 in 2009. \$84,219 of this decrease was due to a loss on disposal of capital assets in the Sewer Division last year. This was the book value of the trickling filter media acquired in 1996 that was replaced last year. Professional fees in the Sewer Maintenance Division decreased almost \$59,000 primarily due to payments last year to Black & Veatch for the Sewer Master Plan. Expenses for the Solid Waste Division decreased \$92,350 due to decreased disposal cost because of declining tonnage due to the economy.

The following table shows the activities included within each program level:

<u>Program Level</u>	<u>Activity</u>
General Government.....	Administration, Support Services
Public Safety.....	Emergency medical services, Police, Fire, Prevention and Codes, Planning and Zoning, Emergency Management
Public Works	Engineering, Streets, Drainage
Public Library	Operation of Public Library
Parks, Recreation, and Public Property	Parks, Auditorium, Recreation
Community Improvement and Development	Housing, Economic Development, Community Character Development
Debt Service.....	Payment of Interest
Water System.....	Operation of Water Treatment Plant and Distribution System
Sewer System.....	Operation of the Waste Water Treatment Plant and Collection System
Solid Waste	Operation of Transfer Station

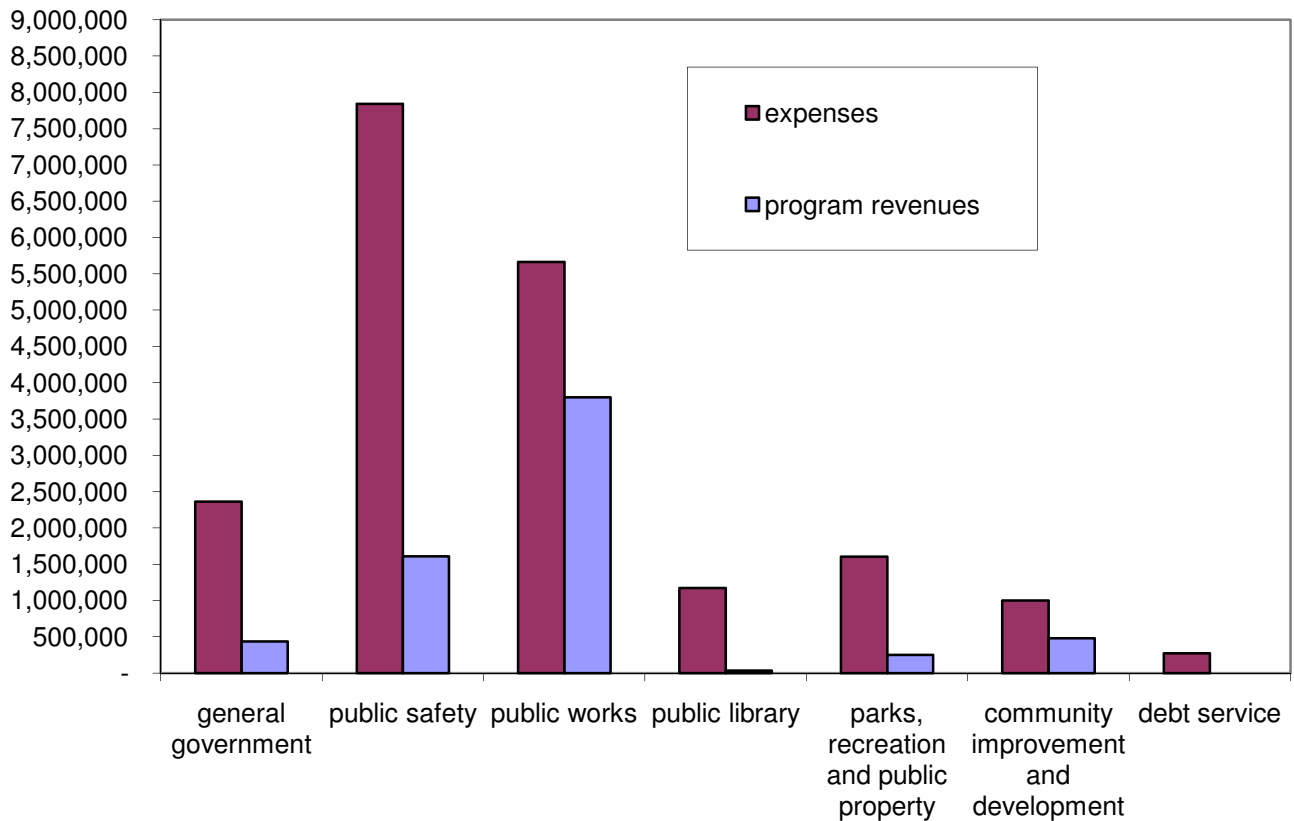
Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column, with revenues from that particular program

reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers.

The following chart shows the relationship of program expense to program revenue for governmental activities in a graphical format. As would be expected, expenses exceed revenues for all nongovernmental activities. For example, Public Safety had expenses of \$7,841,533 and total program revenues of only \$1,609,929 comprised of \$991,781 of Charges for Services, \$507,442 of Operating Grants and Contributions, and \$110,706 of Capital Grants and Contributions. The net cost of Public Safety was \$6,231,604 which must be funded by general revenues.

Expenses and Program Revenues - Governmental Activities



Some of the individual line item revenues reported for each function are:

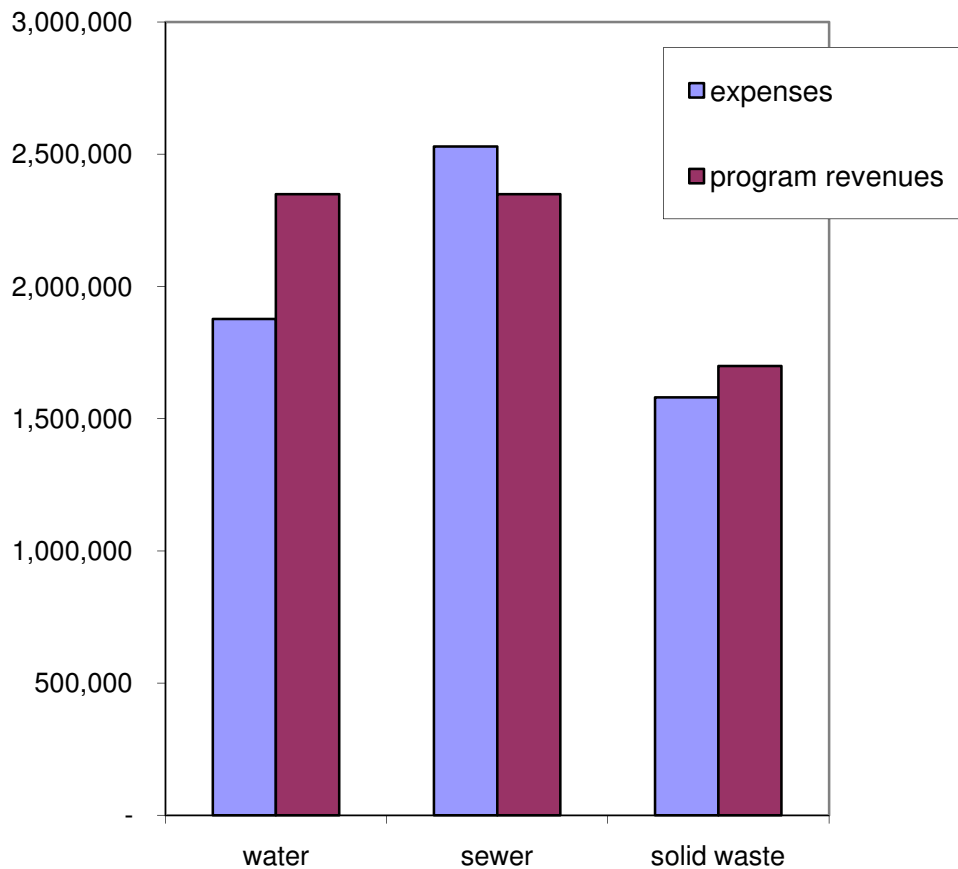
General Government.....	Fees
Public Safety.....	Permits, State Revenue, Federal Grants, State Grants, Ambulance Fees and Other Charges for Service, Contributions, 911 Surcharges
Public Works.....	Special Assessments, State Revenue, Charges for Services, Federal Grants
Public Library.....	Service Charges, Fees
Parks, Recreation and Public Property.....	Rent, Fees, Contributions
Community Improvements and Development...	Federal and State Grants, Contributions

Business Type Activities

Business Type Activities increased the City’s net assets by \$603,420, accounting for 33% of the growth in the City’s net assets.

The City operates three Business-Type Activities including water, sewer and solid waste. As can be seen by the following chart, revenues exceeded expenses for the Water Division and Solid Waste Division. However, expenses exceeded revenues in the Sewer Division. At the end of 2008, Black & Veatch completed development of a Sewer Master Plan. This plan showed an increase was needed in sewer revenues to meet the existing cost of service and also to provide for sewer capital requirements through 2013 of about \$6.6 million including expansion of sewer service south of the river. Based on Black & Veatch’s recommendation, the Council approved a sewer rate increase October 6, 2008 averaging 15% effective November 1, 2008. This resulted in an increase to the average bi-monthly residential bill of about \$2.87. Black & Veatch also completed an update of the 2002 Water Master Plan which shows water capital improvements through 2013 totaling approximately \$14 million including south of the river projects. Black & Veatch recommended a 4% water rate increase which was also approved by the Council on October 6, 2008 effective November 1, 2008. In spite of these rate increases water and sewer revenues are relatively unchanged because Protient, a large utility user, closed its Norfolk manufacturing facility October 2, 2008. Additional increases are planned in subsequent fiscal years, including 10% water and sewer rate increases approved by the Council on September 14, 2009 effective October 1, 2009. The Council also increased transfer station tipping fees by \$2 per ton on October 6, 2008 effective November 1, 2008. This was to cover fuel increases that were expected at the time the 2008-2009 budget was prepared.

Expenses and Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's Governmental funds reported combined ending fund balances of \$11,251,113. The combined Governmental Fund balance increased \$1,665,595 from the prior year.

The primary increase in fund balance was in the in the Special Assessments Fund. The Special Assessment Fund balance increased \$1,778,892. Fund balance had been declining as bond anticipation note proceeds were spent on special assessment projects. These projects were assessed this year, and the notes taken out with bonds.

The largest decrease in fund balance was in the CHAF Fund which declined \$713,100 due to spending of fund balance on street projects including expenditure of over \$1 million for street maintenance projects during the year. The Community Development Block Grant Fund also had a significant decrease in fund balance declining by over \$164,000 due to spending accumulated program income on housing rehabilitation. The nonmajor governmental funds had increases in fund balance totaling \$651,151. The biggest of these increases was a \$340,246 increase in the capital construction fund due to transfers from other funds. The Vehicle Parking Fund balance increased \$192,701 due to issuance of \$300,000 of bonds to pay for the fund's share of the downtown improvement project paid in the prior year.

The General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the General Fund by \$152,815 increasing fund balance from \$5,547,956 last year to \$5,700,771 in the current year. During the year, the League Association of Risk Management (LARM) declared dividends of over \$1 million. The City's share was \$120,826 which was accrued at year end. This dividend was not budgeted and had a positive impact on fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was not amended during the year and included approximately \$15.2 million of revenue and \$16.8 million of expenditures resulting in a budgeted decrease in fund balance of \$1.6 million. Fund balance only decreased \$53,784 because revenues exceeded budget by \$.7 million and expenditures were under budget by \$.9 million. This combined with beginning fund balance exceeding budget by \$.6 million, resulted in an ending fund balance of about \$2.2 million more than budgeted.

The largest amount of revenues over budget was in miscellaneous income which exceeded budget by almost \$127,000. This was due to a \$75,000 contribution from Norfolk Iron and Metal Company for Ta-Ha-Zouka baseball fields which was not budgeted. Taxes exceeded budget by \$126,267 because sales tax exceeded budget by \$162,557 or about 2.5%. Sales tax is budgeted at the last twelve months of sales tax receipts at the time the budget is prepared, adjusted for any changes in the sales tax base. Since the sales tax budget was prepared in early July, before the last quarter sales tax receipts for 2008 were known, the 2009 budget is the first three quarters of 2008 sales tax plus the last quarter of 2007. While actual sales tax receipts for the last quarter of 2009 were below the actual sales tax receipts for the last quarter of 2008, they exceeded the last quarter of 2007 sales tax receipts by almost \$100,000 resulting in sales tax receipts exceeding budget by almost 2.5% although the actual year over year change in sales tax receipts was only .6%. Rental income exceeded budget by \$116,207 primarily because the lease of the city-owned electrical distribution system to Nebraska Public Power District (NPPD) was \$78,371 over budget, or more than 2% due to NPPD revenues from the city-owned system being more than anticipated at the time the budget was prepared. The City receives 12% of revenues as the lease payment. Intergovernmental Revenue exceeded budget by \$106,633 primarily due to a \$70,082 grant from the Federal

Emergency Management Association used to purchase bunker gear for the Fire Department. This grant was not anticipated at the time the budget was prepared.

Transfers out exceeded budget by \$160,114. During the year, the City changed its budgeting practices for certain large capital outlays which will now be made from the Capital Construction Fund. In the prior year, the City received a \$100,000 donation from Big Red Keno which was recorded in the General Fund. This was transferred to the Capital Construction Fund for improvements to Memorial Field. Also transferred during the year was \$60,000 budgeted in the Street Division for implementation of the Landscape Plan. This was not spent and will be spent next year out of the Capital Construction Fund. Neither of these transfers were budgeted.

Expenditures in all categories were under budget resulting in \$1,074,725 less expenditures than budgeted. The City always budgets conservatively and expenditures are normally under budget. Also contributing to this was on-going concerns about the local economy resulting in prioritizing capital outlays with lower priority items not purchased.

CAPITAL ASSETS

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, water and sewer systems, drainage systems and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of September 30, 2009, was \$65,155,375 (net of accumulated depreciation and outstanding financings). The gross additions to capital assets for the last two years follows:

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 51,712	\$ 188,107	\$ -	\$ 2,860	\$ 51,712	\$ 190,967
Buildings and improvements	-	110,476	-	-	-	110,476
Water distribution and sewage system	-	-	189,392	1,414,789	189,392	1,414,789
Equipment, furniture and fixtures	503,472	512,713	95,527	103,916	598,999	616,629
Infrastructure	1,839,340	142,806	-	-	1,839,340	142,806
Construction in progress	1,359,547	2,421,967	397,611	192,996	1,757,158	2,614,963
Total Gross Additions	\$ 3,754,071	\$ 3,376,069	\$ 682,530	\$ 1,714,561	\$ 4,436,601	\$ 5,090,630

Gross additions to capital assets for Governmental Activities were \$3,754,071 increasing \$378,002 from the \$3,376,069 of additions in the prior year. This increase is caused by large additions to infrastructure including costs associated with infrastructure in Meadow Ridge, 16th Street improvements, and Jackson Avenue improvements.

Total gross additions to capital assets for Business-Type activities was \$.7 million compared to \$1.7 million the prior year. The \$1 million decrease in additions was primarily due to the \$792,366 influent debris screen project at the Water Pollution Control Plant last year. Current year additions include water lines in Walters' East Knolls 10th Addition and Meadow Ridge Phase IV 1st Addition. Current year additions to construction in progress include costs associated with backwash improvements at the east water treatment plant and the booster station at Benjamin Avenue and Victory Road.

See Note 5 to the financial statements for more information on the City's Capital Assets.

DEBT ADMINISTRATION

At year-end the City had \$13,873,120 of bonded debt outstanding, net of original issue discounts and deferrals. This is an increase of \$496,282 from the prior year. During the year the City issued \$1,730,000 of special assessment bonds to refund bond anticipation notes issued for infrastructure improvements in various special assessment districts. The City also issued \$300,000 of general obligation vehicle parking bonds to pay for the Vehicle Parking District's share of the downtown improvement project.

Although the City has no independent bond rating, it insures some of its larger bond issues. The City's uninsured debt normally sells at lower interest rates than "A" rated debt. The ratio of debt to assessed value for the City has declined from 1.28% in 2000 to .57% currently. Debt per capita was \$351.53 in 2000 compared to \$281.82 currently. The debt coverage ratio for the City's enterprise bonds is 1.74. All these debt indicators are favorable.

The City has no legal debt limit. Debt service payments are exempt from both the lid and levy limits under Nebraska law. More detailed information on debt administration is provided in Note 6 of the financial statements.

ECONOMIC FACTORS

The City's sales tax collections have remained relatively flat since the fiscal year ended September 30, 2000 and property tax has increased to help offset this with future property tax increases anticipated if sales tax growth remains flat. Sales tax receipts for fiscal year 2008-2009 are only up .6% from the prior year. Sales tax receipts the first five months of fiscal year 2009-2010 also show little growth, growing less than 1% from the same period in fiscal year 2008-2009.

The economic downturn has impacted Norfolk businesses with shortened work weeks and layoffs. On October 2, 2008, Protient closed its Norfolk manufacturing facility with 65 employees. Protient produced whey proteins, lactose and milk protein concentrates at its Norfolk plant and was a large City utility customer. This winter Milk Specialties Company purchased the plant from Protient and the City applied for a \$505,000

Community Development Block Grant through the Nebraska Department of Economic Development to be loaned to Milk Specialties Company as part of the purchase price of the facility. The Madison County unemployment rate was only 2.7% in January 2008. In January 2009 it was 5.4% and has improved slightly to 5.2% in January 2010.

In February 2006, Norfolk's largest employer, Tyson Foods, which operated a beef processing plant on the edge of Norfolk, closed putting 1,300 Norfolk employees out of work. The effect of this plant closure shows up in the population estimates. The Norfolk micropolitan area made up of Pierce, Stanton and Madison Counties, experienced the largest population loss from 2006-2007 of any micropolitan area in the United States. The population of Norfolk itself declined from an estimated 23,865 on July 1, 2006 to 23,146 on July 1, 2007. School enrollment also declined and went from 3,841 in 2006 to 3,803 in 2007. Since many former Tyson employees left Norfolk, the closure had little impact on the unemployment rate which stayed stable with the shrinking labor force.

In general, Nebraska's economy has held up better than the national economy during the current economic downturn. Housing prices in Norfolk have remained relatively stable. There are also some large construction projects underway and planned for the next construction season. The largest local construction project currently underway is construction of a \$58 million bed tower at Faith Regional Health Services. This project started in the fall of 2008 and is scheduled to be finished this summer. Construction is now underway on a new College of Nursing facility at the Northeast Community College campus in Norfolk. The College completed a successful fundraising campaign for the facility raising about \$11.9 million and the City has agreed to contribute \$1 million to the project by making quarterly payments of \$50,000 for a five-year period. Nebraska Public Power District began construction on an 87,000 square foot operation center in Norfolk last construction season with an estimated cost of \$20.4 million. This facility will bring four of NPPD's Norfolk area operations and customer service activities together in one location.

On January 30 and 31, 2009, the Mayor and City Council conducted their goal setting retreat with City staff. One of the Council's top five priorities developed at this retreat was to enhance economic development efforts including placing an LB 840 program on the ballot for consideration by Norfolk voters. LB 840 was the legislative bill approved by the Nebraska Legislature in 1991 adopting the Local Option Municipal Economic Development Act. This Act authorizes cities to spend local sales or property tax revenue for economic development including offering incentives to attract business. An LB 840 program must be approved by the city's voters. The City has been working with local economic development partners to place LB 840 in front of voters. At the March 1, 2010 City Council meeting, the Council passed a resolution placing an LB 840 program on the May primary election ballot. This program would authorize collecting \$400,000 from property tax for each of the next ten years to finance this LB 840 program.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 402-844-2000.

CITY OF NORFOLK, NEBRASKA
STATEMENT OF NET ASSETS
September 30, 2009
With Summarized Financial Information as of September 30, 2008

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2009	2008
ASSETS				
Cash and Equity in Pooled Investment Account	\$ 12,074,870	\$ 5,970,201	\$ 18,045,071	\$ 18,369,347
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	316,471	891,194	1,207,665	1,169,912
Taxes	1,630,024	-	1,630,024	1,576,660
Accrued Interest	135,924	102,978	238,902	92,349
Special Assessments	832,752	3,128	835,880	191,457
Notes Receivable	1,936,512	10,862	1,947,374	2,022,898
Advances to Other Funds	(12,217)	12,217	-	-
Due from Other Governmental Agencies	1,379,611	-	1,379,611	1,449,031
Inventories	26,703	240,384	267,087	259,045
Restricted Assets:				
Cash and Cash Equivalents	-	2,620,413	2,620,413	2,595,092
Bond Issue Costs	65,149	67,463	132,612	124,400
Land	7,667,905	1,953,581	9,621,486	9,569,774
Construction in Progress	2,642,064	437,735	3,079,799	2,840,818
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	32,805,972	33,861,238	66,667,210	67,299,949
Total Assets	61,501,740	46,171,394	107,673,134	107,560,732
LIABILITIES				
Accounts Payable	1,405,598	252,376	1,657,974	2,147,679
Accrued Interest Payable	35,815	-	35,815	38,336
Payables from Restricted Assets:				
Accrued Revenue Bond Interest	-	107,032	107,032	115,303
Revenue Bonds - Current	-	823,624	823,624	800,290
Noncurrent Liabilities:				
Due within one year:				
Notes Payable	32,738	-	32,738	35,714
General Obligation Bonds	500,000	-	500,000	475,000
Various Purpose Bonds	345,000	-	345,000	260,000
Bond Anticipation Notes	-	-	-	2,335,000
Compensated Absences and Benefits	698,314	107,715	806,029	758,819
Due in more than one year:				
Notes Payable	98,216	-	98,216	133,930
Revenue Bonds Payable	-	6,924,496	6,924,496	7,746,548
General Obligation Bonds	3,220,000	-	3,220,000	3,420,000
Various Purpose Bonds	2,060,000	-	2,060,000	675,000
Bond Anticipation Notes	340,000	-	340,000	-
Compensated Absences and Benefits	691,909	107,130	799,039	498,987
Total Liabilities	9,427,590	8,322,373	17,749,963	19,440,606
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	36,650,941	28,504,434	65,155,375	63,998,703
Restricted for:				
Debt Service	1,218,131	1,845,946	3,064,077	3,086,729
Future Capital Assets	-	667,435	667,435	648,545
Unrestricted	14,205,078	6,831,206	21,036,284	20,386,149
Total Net Assets	\$ 52,074,150	\$ 37,849,021	\$ 89,923,171	\$ 88,120,126

CITY OF NORFOLK, NEBRASKA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009
With Summarized Financial Information for the Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Totals	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2009	2008
Primary Government:								
Governmental Activities:								
General Government	\$ 2,363,397	\$ 431,612	\$ 2,860	\$ -	\$ (1,928,925)		\$ (1,928,925)	\$ (1,599,949)
Public Safety	7,841,533	991,781	507,442	110,706	(6,231,604)		(6,231,604)	(5,943,763)
Public Works	5,664,242	132,948	1,954,775	1,710,091	(1,866,428)		(1,866,428)	(2,012,051)
Public Library	1,173,863	25,588	8,360	-	(1,139,915)		(1,139,915)	(1,088,461)
Parks, Recreation and Public Property	1,604,612	145,293	-	104,115	(1,355,204)		(1,355,204)	(984,546)
Community Improvement and Development	999,898	84,000	376,078	18,000	(521,820)		(521,820)	(115,221)
Debt Service	272,480	-	-	-	(272,480)		(272,480)	(296,199)
Total governmental activities	<u>19,920,025</u>	<u>1,811,222</u>	<u>2,849,515</u>	<u>1,942,912</u>	<u>(13,316,376)</u>		<u>(13,316,376)</u>	<u>(12,040,190)</u>
Business-Type Activities:								
Water Division	1,877,440	2,210,112	-	138,524		471,196	471,196	439,900
Sewer Division	2,529,041	2,343,513	-	5,686		(179,842)	(179,842)	(317,097)
Solid Waste Division	1,579,945	1,699,431	-	-		119,486	119,486	70,077
Total Business-Type Activities:	<u>5,986,426</u>	<u>6,253,056</u>	<u>-</u>	<u>144,210</u>		<u>410,840</u>	<u>410,840</u>	<u>192,880</u>
Total Primary Government	<u>\$25,906,451</u>	<u>\$ 8,064,278</u>	<u>\$ 2,849,515</u>	<u>\$ 2,087,122</u>	<u>(13,316,376)</u>	<u>410,840</u>	<u>(12,905,536)</u>	<u>(11,847,310)</u>
General Revenues:								
Property taxes					1,944,230	-	1,944,230	1,694,912
Sales Taxes					6,760,144	-	6,760,144	6,750,098
Other taxes					199,591	-	199,591	199,225
Occupation and Franchise Taxes					873,472	-	873,472	883,195
Interest					251,126	165,386	416,512	717,124
General Intergovernmental Revenues Unrestricted					260,190	-	260,190	253,856
Unrestricted Keno Revenue					428,302	-	428,302	29,141
Use of property					3,418,900	-	3,418,900	3,270,414
Gain on Sale of Assets					-	-	-	8,170
Revenue from Sale of Uncapitalized Property					44,059	-	44,059	9,985
Miscellaneous					363,181	-	363,181	47,709
Interfund Transfers					(27,194)	27,194	-	-
Total general revenues and transfers					<u>14,516,001</u>	<u>192,580</u>	<u>14,708,581</u>	<u>13,863,829</u>
Change in net assets					<u>1,199,625</u>	<u>603,420</u>	<u>1,803,045</u>	<u>2,016,519</u>
Net assets - beginning					<u>50,874,525</u>	<u>37,245,601</u>	<u>88,120,126</u>	<u>86,103,607</u>
Net assets - ending					<u>\$ 52,074,150</u>	<u>\$ 37,849,021</u>	<u>\$89,923,171</u>	<u>\$ 88,120,126</u>

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA

BALANCE SHEET

Governmental Funds

September 30, 2009

	General	City Highway Allocation	Community Development Block Grant	Debt Service	Special Assesments	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Equity in Pooled Investment Account	\$ 3,193,584	\$ 3,091,120	\$ 236,925	\$ 1,098,062	\$ 151,927	\$ 1,500,021	\$ 9,271,639
Receivables (Net, where applicable, of allowance for uncollectibles)							
Accounts	264,171	-	-	-	-	52,300	316,471
Taxes	1,471,119	-	-	142,934	-	15,971	1,630,024
Accrued Interest	37,646	36,461	2,795	12,951	1,792	11,214	102,859
Special Assessments	685	-	-	832,067	-	-	832,752
Notes Receivable	2,898	-	1,869,452	-	-	64,162	1,936,512
Due from Other Governmental Agencies	1,124,511	208,467	2,080	-	-	44,553	1,379,611
Inventories	26,703	-	-	-	-	-	26,703
Total Assets	6,121,317	3,336,048	2,111,252	2,086,014	153,719	1,688,221	15,496,571
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	404,746	636,145	37,595	-	-	39,445	1,117,931
Deferred Revenue	3,583	-	1,869,452	832,068	-	70,207	2,775,310
Bond Anticipation Notes	-	-	-	-	340,000	-	340,000
Advances from Other Funds	12,217	-	-	-	-	-	12,217
Total Liabilities	420,546	636,145	1,907,047	832,068	340,000	109,652	4,245,458
Fund Balances:							
Reserved for:							
Encumbrances	64,515	310,222	40,426	-	-	5,284	420,447
Hazardous Waste	29,970	-	-	-	-	-	29,970
WW II Memorial	11,033	-	-	-	-	-	11,033
Debt Service	-	-	-	1,253,946	-	-	1,253,946
Inventories	26,703	-	-	-	-	-	26,703
Unreserved:							
General fund	5,568,550	-	-	-	-	-	5,568,550
Special revenue funds	-	2,389,681	163,779	-	-	846,938	3,400,398
Capital projects funds	-	-	-	-	(186,281)	726,347	540,066
Total Fund Balances	5,700,771	2,699,903	204,205	1,253,946	(186,281)	1,578,569	11,251,113
Total Liabilities and Equity	\$ 6,121,317	\$ 3,336,048	\$ 2,111,252	\$ 2,086,014	\$ 153,719	\$ 1,688,221	\$ 15,496,571

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2009

Amounts reported for Governmental Activities in the Statement of Net assets are different because:

Total Fund Balance - Governmental Funds (page 32)	\$ 11,251,113
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	43,115,941
Internal service funds are used by management to fund and maintain the City's health insurance provided to user departments and are included in the statement of net assets.	2,548,629
Deferred revenues that provide current financial resources for governmental activities	2,775,310
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(35,815)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources	65,149
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(7,646,177)</u>
Total Net Assets - Governmental Activities (page 30)	<u><u>\$ 52,074,150</u></u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended September 30, 2009

	General	City Highway Allocation	Community Development Block Grant	Debt Service	Special Assessments	Other Governmental Funds	Total Governmental Funds
Revenue:							
Taxes	\$ 7,921,320	\$ -	\$ -	\$ 702,339	\$ -	\$ 403,596	\$ 9,027,255
Special Assessments	-	-	-	685,607	-	-	685,607
Licenses and Permits	323,800	-	-	-	-	-	323,800
Intergovernmental Revenue	633,645	2,057,414	258,103	24,736	-	831,105	3,805,003
Charges for Services	1,374,689	-	-	-	-	-	1,374,689
Keno Revenue	428,302	-	-	-	-	-	428,302
Occupation and Franchise Taxes	667,778	-	-	-	-	-	667,778
Contributions	81,360	-	-	-	-	-	81,360
Payments in Lieu of Taxes	45,250	-	-	37,152	-	-	82,402
Parking Fees and Rentals	3,410,386	-	-	-	-	12,229	3,422,615
Loan Repayments	-	-	112,179	-	-	8,521	120,700
Interest	51,337	61,918	3,825	45,848	2,650	20,458	186,036
Miscellaneous	339,871	-	56	-	-	94,927	434,854
Total Revenue	15,277,738	2,119,332	374,163	1,495,682	2,650	1,370,836	20,640,401
Current Expenditures:							
Public Safety	7,160,885	-	-	-	-	315,114	7,475,999
Public Works	2,625,986	2,417,432	276,446	-	-	265,276	5,585,140
Public Library	1,139,770	-	-	-	-	-	1,139,770
Parks, Recreation and Public Property	1,828,716	-	-	-	-	-	1,828,716
Community Improvement and Development	376,272	-	223,315	-	-	376,515	976,102
General Government	2,551,988	-	-	-	28,152	-	2,580,140
Debt Service:							
Debt Service	1,193	-	38,690	919,864	82,501	6,443	1,048,691
Capital Outlays:							
Capital Outlay	-	-	-	8,948	361,300	-	370,248
Total Expenditures	15,684,810	2,417,432	538,451	928,812	471,953	963,348	21,004,806
Excess (deficiency) of revenues over expenditures	(407,072)	(298,100)	(164,288)	566,870	(469,303)	407,488	(364,405)
Other financing sources (uses):							
Bonds Issued	-	-	-	-	1,730,000.00	300,000	2,030,000
Transfers In	853,841	-	-	86,450	518,195	382,504	1,840,990
Transfers Out	(293,954)	(415,000)	-	(693,195)	-	(438,841)	(1,840,990)
Total other financing sources (uses)	559,887	(415,000)	-	(606,745)	2,248,195	243,663	2,030,000
Net Change in Fund Balance	152,815	(713,100)	(164,288)	(39,875)	1,778,892	651,151	1,665,595
Fund balances (deficits)-beginning of year	5,547,956	3,413,003	368,493	1,293,821	(1,965,173)	927,418	9,585,518
Fund balances (deficits) - end of year	\$ 5,700,771	\$ 2,699,903	\$ 204,205	\$ 1,253,946	\$ (186,281)	\$ 1,578,569	\$ 11,251,113

CITY OF NORFOLK, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 34)	\$ 1,665,595
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays were exceeded by depreciation expense in the current year as follows:</p>	
Expenditures for capital assets	\$ 2,235,894
Depreciation expense	<u>(2,062,777)</u> 173,117
<p>Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net assets on the statement of activities.</p>	
	(100)
Revenues reported in the funds that are not available to provide current financial resources	584,186
Accrued interest expense that does not require current financial resources	2,521
<p>Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:</p>	
	(331,808)
<p>Internal service funds are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair, and replacement of the City's automotive equipment and are included in the statement of net assets. The net revenue of the internal service funds is reported with governmental activities.</p>	
	344,574
<p>The issuance of indebtedness provides current financial resources to the governmental funds without affecting net assets. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt for the year was:</p>	
	(2,030,000)
<p>The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities</p>	
	17,850
<p>The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:</p>	
	<u>773,690</u>
Change in net assets of governmental activities (page 31)	<u>\$ 1,199,625</u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF NET ASSETS
Proprietary Funds
September 30, 2009

	<u>Business Type</u> <u>Activities</u> <u>Combined</u> <u>Utilities</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service</u>
ASSETS		
Current Assets:		
Cash and Equity in Pooled Investment Account	\$ 5,970,201	\$ 2,803,231
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	891,194	-
Accrued Interest	102,978	33,065
Special Assessments	3,128	-
Restricted Cash		
Cash and Cash Equivalents	930,656	-
Inventories	240,384	-
Total current assets	<u>8,138,541</u>	<u>2,836,296</u>
Noncurrent assets:		
Restricted Assets:		
Cash and Cash Equivalents	1,689,757	-
Notes Receivable	10,862	-
Advances to Other Funds	12,217	-
Bond Acquisition Costs	67,463	-
Capital assets:		
Land	1,953,581	-
Construction in Progress	437,735	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	33,861,238	-
Total noncurrent assets	<u>38,032,853</u>	<u>-</u>
Total Assets	<u>46,171,394</u>	<u>2,836,296</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	252,376	287,667
Accrued Wages and Compensated Absences	107,715	-
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	107,032	-
Revenue Bonds - Current	823,624	-
Total current liabilities	<u>1,290,747</u>	<u>287,667</u>
Noncurrent Liabilities:		
Due in more than one year:		
Revenue Bonds Payable	6,924,496	-
Compensated Absences and Benefits, Long-Term	107,130	-
Total noncurrent liabilities	<u>7,031,626</u>	<u>-</u>
Total Liabilities	<u>8,322,373</u>	<u>287,667</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	28,504,434	-
Restricted for:		
Debt Service	1,845,946	-
Future Capital Assets	667,435	-
Unrestricted	6,831,206	2,548,629
Total Net Assets	<u>\$ 37,849,021</u>	<u>\$ 2,548,629</u>

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Proprietary Funds
For the Year Ended September 30, 2009

	Business Type Activities	Governmental Activities
	Combined Utilities	Internal Service
Operating Revenues:		
Charges for Services	\$ 6,182,099	\$ 2,142,760
Miscellaneous Income	70,957	-
Total Operating Revenue	6,253,056	2,142,760
Operating Expenses:		
Payroll and Related Taxes and Benefits	1,805,213	-
Purchased Services	957,374	-
General and Administration	520,637	1,863,275
Repairs and Maintenance	684,312	-
Utilities	493,313	-
Depreciation and Amortization	1,213,180	-
Total Operating Expenses	5,674,029	1,863,275
Operating Income	579,027	279,485
Non-Operating Income (Expense):		
Interest Income	146,466	65,089
Market Value Gain	18,920	-
Interest Expense	(312,397)	-
Total Non-Operating Income (Expenses)	(147,011)	65,089
Income before contributions and transfers	432,016	344,574
Capital contributions	171,404	-
Change in Net Assets	603,420	344,574
Net Assets - Beginning	37,245,601	2,204,055
Net Assets - Ending	\$ 37,849,021	\$ 2,548,629

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended September 30, 2009

	Business Type Activities	Governmental Activities
	Combined Utilities	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 6,323,533	\$ 2,142,760
Cash Paid to Suppliers for Goods and Services	(2,743,304)	(1,841,858)
Cash Paid to Employees for Services	(1,789,759)	-
Net Cash Provided by Operating Activities	<u>1,790,470</u>	<u>300,902</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(444,464)	-
Change in Advance to Other Funds	11,635	-
Principal Paid on Notes and Bonds	(800,290)	-
Interest Paid on Notes and Bonds	(320,668)	-
Payments on Note Receivable	22,831	-
Net Cash (Used) for Capital and Related Financing Activities	<u>(1,530,956)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	<u>103,983</u>	<u>42,240</u>
Net Increase in Cash and Cash Equivalents	363,497	343,142
Cash and Cash Equivalents at Beginning of Year	<u>8,227,117</u>	<u>2,460,089</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,590,614</u>	<u>\$ 2,803,231</u>

(Continued)

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended September 30, 2009

	<u>Business Type Activities Combined Utilities</u>	<u>Governmental Activities Internal Service</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 579,027	\$ 279,485
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,213,180	-
(Increase) Decrease in Assets:		
Accounts Receivable	68,901	-
Special Assessments	1,576	-
Inventories	(965)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(86,703)	21,417
Accrued Compensated Absences	15,454	-
Total Adjustments	<u>1,211,443</u>	<u>21,417</u>
Net Cash Provided by Operating Activities	<u>\$ 1,790,470</u>	<u>\$ 300,902</u>
Supplemental Schedule of Noncash Capital and Related Financing Activities:		
Developers Contribution of Distribution System	<u>\$ 282,709</u>	<u>-</u>
Accounts Payable Exchanged for Capital Assets	<u>\$ 73,169</u>	<u>-</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and Equity in Pooled Investment Account	\$ 5,970,201	\$ 2,803,231
Restricted Cash	2,620,413	-
	<u>\$ 8,590,614</u>	<u>\$ 2,803,231</u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF FIDUCIARY NET ASSETS
 Fiduciary Funds
 September 30, 2009

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
	<u>Employee Retirement Funds</u>	<u>Community Development Agency</u>
ASSETS		
Current Assets:		
Cash	\$ -	\$ 477,951
Guaranteed Insurance Contracts Managed by Trustee	10,679,426	-
Open Ended Mutual Funds Managed by Trustee	12,499,705	-
Receivables (Net, where applicable, of allowance for uncollectibles)		
Taxes	-	7,396
Total Current Assets	<u>23,179,131</u>	<u>485,347</u>
LIABILITIES		
Current Liabilities:		
Due to Bondholders	-	485,347
Total Current Liabilities	<u>-</u>	<u>485,347</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 23,179,131</u>	<u>\$ -</u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Fiduciary Funds
For the Year Ended September 30, 2009

	Pension Trust Funds Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 639,565
Employee	<u>642,924</u>
Total Contributions	<u>1,282,489</u>
Investment Income:	
Interest, Dividends and Market Gain	<u>517,579</u>
Total Additions	<u>1,800,068</u>
DEDUCTIONS	
Pension Benefits	800,762
Contribution Refunds	<u>297,131</u>
Total Deductions	<u>1,097,893</u>
Net Increase	702,175
Net Assets -- Beginning of Period	<u>22,476,956</u>
Net Assets -- End of Period	<u><u>\$ 23,179,131</u></u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Norfolk, Nebraska is a political subdivision of the state of Nebraska located in Madison County. The City operates under the mayor-council form of government with the mayor and council members elected on a nonpartisan basis. The City administers the following programs as authorized by its charter: General Government, Public Library, Public Works, Public Safety, Parks, Recreation, and Public Property, Community Improvement and Development. It also provides municipal utility services including: water, sewer and solid waste.

The City's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its proprietary operations. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

For financial reporting purposes, the City of Norfolk, Nebraska, has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

Blended Component Unit-Community Development Agency (CDA)

The CDA is included in the City's reporting entity as a blended component unit because of the significance of its operational and financial relationships with the City.

The Mayor and Council to provide for redevelopment of various blighted areas within the City created the CDA. Members of the CDA consist of the Mayor and City Council with the Mayor serving as Chairman. Officers of the CDA are also officers of the City. Although it is legally separate from the City, the CDA is reported as if it were part of the primary government because its sole purpose is to provide redevelopment of various areas within the City. The CDA does not issue separate financial statements.

Joint Venture – Northeast Nebraska Solid Waste Coalition (NNSWC)

The City, in conjunction with twenty-four other cities and counties in Northeast Nebraska, has created the NNSWC. The NNSWC's Board is composed of a member from each of the participating cities and counties. The Purpose of the NNSWC is to provide solid waste management by means of building and operating a solid waste disposal facility, commonly referred to as a landfill. The NNSWC issued \$8,000,000 of revenue bonds on October 1, 1998. As the three largest participants in NNSWC, the cities of Fremont, Norfolk, and Columbus each guaranteed one third of the NNSWC bond issue. It anticipated these bonds will be paid by revenue from the NNSWC landfill, which began operation October 30, 1995.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City does not have an equity interest in the NNSWC. The NNSWC issues its own financial statements, which are available upon request from its offices at 127 North First Street in Norfolk.

B. Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects and internal service funds are classified as governmental activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual basis of accounting using the economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: invested in capital assets net of related debt, restricted net assets, and unrestricted net assets. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, parks, recreation and public property, community improvement and development, general government, etc.) and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenue, operating grants, and capital grants. Program revenue must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and other charges between the government's combined utilities function and various other functions of the government.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add funds, as major funds, which have a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

The City reports the following major governmental funds:

Governmental Fund Types – The governmental fund financial statements are reported using the current

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- 1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, state allocations, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, parks, recreation and public property, public safety, public works, housing, public libraries and planning, permits and health.

- 2) Special Revenue Funds

City Highway Allocation Fund – To account for the City's share of motor fuel tax revenues that are legally restricted to street expenditures.

Community Development Block Grant Fund – To account for various community development grants and related program income. The use of these funds is restricted to community and economic development activities, as defined in the grant agreements.

- 3) Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the payment of general obligation bond, principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

- 4) Capital Project Funds

Special Assessment Fund – To account for the construction of infrastructure fixed assets financed through the creation of special assessment districts.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

- 1) Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City includes the following utilities within its combined utilities fund:

Water Division – The water division accounts for the operation of a municipally owned water system, which provides services to the residents of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sewer Division – The sewer division accounts for the operation of a municipally owned sewage collection, which provides services to the residents of the City.

Solid Waste Management Division – The solid waste management division accounts for the operations of the City's solid waste transfer station.

- 2) Internal Service Fund – The Internal Service Fund is used to account for the operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The City's internal service fund is presented in the proprietary fund financial statements. Because the principal user of the internal service is the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of this service is reported in the appropriate functional activity.

Group Insurance Fund- The Group Insurance Fund is used to account for the accumulation of Resources used to fund claims under the City's self-insured health and dental plans.

Fiduciary Fund Types – These funds account for assets held by the government in a trustees capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

- 1) Pension Trust Funds – The Pension Trust Funds represent the resources accumulated for pension benefit payments to qualified City employees. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, so that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City includes the firefighter, police and civilian retirement funds in its combined retirement fund.
- 2) Agency Fund – The Community Development Agency Fund is used to account for the resources for payment of principal and interest on tax increment financing bonds issued by the Community Development Agency of the City of Norfolk. These bonds were issued to provide the long-term financing for the redevelopment of the Southwest Norfolk Redevelopment Plan area and the Meadow Ridge Housing Development area. These bonds are payable only from real estate taxes on certain property located within these plan areas and do not constitute general obligations of the Agency or the City.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. The City considers sales and use taxes and gasoline taxes as available when in the hands of the State of Nebraska, the intermediary collecting government. The City normally collects these taxes within 30 days of year-end.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Budgetary basis of accounting is used by the general fund and all major special revenue funds in the required supplementary information section of the comprehensive annual financial report. Under the budgetary basis of accounting, revenues are recognized when received and expenditures are recognized when paid.

Those revenues susceptible to accrual are taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The Agency Fund is custodial in nature and does not involve the measurement of results of operations.

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. Assets, Liabilities and Fund Equity

1. Pooled Investment Account – The City maintains a commingled pool of cash and investments for all funds, except the Community Development Agency. This pool is under the management of the City Treasurer. Each of the applicable City funds reports its undistributed interest in the principal balance of this pooled investment account, which is recorded at cost. Interest income received is allocated to each fund based on its proportionate interest in the pool.
2. Short-Term Interfund Receivables/Payables – During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, 2009, balances of interfund amounts payable or receivable have been recorded. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.
3. Advances to Other Funds – Noncurrent portions of long-term interfund loan receivables are reported as advances.
4. Proprietary Fund Types – Contributions of capital assets are treated as revenue and capital assets. Contributions and grants received for operating purposes are included in revenues when earned.

Governmental Fund Types – Contributions and grants for both capital and operating purposes are included in revenues when earned.

5. Estimated Unbilled Enterprise Revenue – Within the City’s enterprise fund, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year involved. The receivable was arrived at by taking the cycle billings the City sent the customer in October and November and prorating the amount of days applicable to the current year.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Inventories – Purchases of materials and supplies are recorded as expenditures as incurred except for items (e.g. fuel and certain office supplies) held in central storage for the use of several of the City’s funds. Inventories held in central storage are valued at cost, which approximates market, using the first-in/first-out (FIFO) method are recorded as expenditures when consumed rather than when purchased. The amounts in the governmental funds are not material and therefore not recorded on the Statement of Net Assets.
7. Restricted Assets - Proceeds from debt and funds set aside for payment of enterprise fund revenue bonds are classified as restricted assets since their use is limited by applicable bond indentures.
8. Property and Equipment – Assets with an initial individual cost of \$500 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated cost beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	40 – 50 Years
Utility Plant	20 – 100 Years
Machinery & Equipment	3 – 25 Years
Infrastructure	30 – 100 Years

9. Accrued Compensated Absences - These amounts represent the unpaid vacation costs and related employee benefits as of the end of the period. All compensated amounts for governmental and proprietary fund types are accrued as liabilities on the government wide statement for governmental funds and applicable enterprise funds respectively and are not recorded as expenditures of the current reporting period for governmental fund types because they do not represent amounts that are expected to be liquidated with expendable available financial resources. A liability is recognized for that portion of accumulating sick leave benefits in which the employee becomes vested after twenty years of service. The compensated absence liability has been computed based on rates of pay in effect at September 30, 2009. The compensated absence liability attributable to governmental activities will be paid primarily by the General Fund
10. Long-Term Obligations – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in the combined utility fund.
11. Fund Equity – Reserves represent those portions of fund equity legally segregated for a specific use.
12. Bond Issuance Costs/Discounts - Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs for governmental fund types are deferred and amortized over the term of the bonds in the governmental activities column of the government-wide Statement of Net Assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Property Taxes – Real estate taxes are levied on October 15 of each year and may be paid in two equal installments. These taxes are due December 31. The first and second half of the taxes becomes delinquent on the following May 1 and September 1, respectively. Real estate taxes collected within 60 days after year-end are recognized as revenues in accordance with the revenue recognition policy described in Note 1.D. Real estate taxes become a lien against the property on the levy date.

Personal property taxes are levied on October 15 of each year and are due November 1 of each year and may be paid in two equal installments. The first and second half of the taxes become delinquent on December 1 and July 1, respectively.

Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

14. Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

15. Encumbrances – Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the City in its governmental funds; the subsequent year's appropriation provides authority to complete these transactions as expenditures. Encumbrances at year-end do not constitute expenditures or liabilities.

G. Landfill Closure Costs

The City is not currently responsible for any landfill closure or post-closure care costs.

H. Statement of Cash Flows

As described in Note 2.A., the City maintains a cash and investment pool for all funds except the Community Development Agency. The funds use their equity in the pooled investment account as a demand deposit account and, for purposes of the statements of cash flows, the interest in the pooled investment account is considered cash. Restricted cash consists of equity in the pooled investment account that is also considered cash for the Statement of Cash Flows.

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT

At September 30, 2009, the City's cash and pooled investments consisted of the following:

Cash, principally in interest bearing accounts (at cost)	\$ 3,923,682
Certificates of Deposit (Cost = Fair Value)	16,000,000
Unites States Treasury Note (at Fair Value)	<u>741,802</u>
	<u>\$20,665,484</u>

The City maintains a cash and investment pool for all funds, except the Community Development

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT (CONTINUED)

Agency. This pool is under management of the City Treasurer. Each of the applicable City funds reports its undistributed interest in the pooled investment account. Statutes authorize the City to invest these funds in direct obligations of the U.S. Government, selected Federal Agency securities, certain state and local obligations of the State of Nebraska, collateralized bank certificates of deposit and certain other high-grade investments. City policy is to limit these investments to U.S. Treasury obligations and fully collateralized bank certificates of deposit with maximum maturities of approximately one year. At September 30, 2009 and throughout the year, the City's bank deposits, including certificates of deposit, were entirely covered by federal deposit insurance or by collateral held in joint custody in the City's name at third party banks acting as the City's agent (in most cases Federal Reserve Banks). The City's agent in the City's name held U.S. Treasury obligations in sufficient amounts to fully collateralize the city's interest bearing accounts and collateralized certificates of deposits. Fair value is determined by quoted market prices.

<u>US Treasury Obligations:</u>	<u>Maturity</u>	<u>Fair Value</u>
Notes	11/15/12	\$741,802

B. Investments Managed by Trustee:

An insurance company administers the City's Pension Trust Funds. For investment purposes, certain pension assets are pooled with the general assets of the insurance company and invested in guaranteed insurance accounts.

Under this arrangement, the insurance company guarantees the City a minimum rate of return. If the rate of return on the general assets of the insurance company exceeds the guaranteed rate of return, the City's investments are credited with the actual rate of return. These guaranteed insurance contracts are not marketable. Any withdrawals from these accounts are at cost plus accumulated earnings and these insurance contracts are valued on that basis. At September 30, 2009, \$10,679,426 was held in these guaranteed insurance contracts. The other pension assets are invested in open-ended mutual funds, which are stated at fair value, and, at September 30, 2009, amounted to \$12,499,705.

C. Restricted Assets:

The following schedule details the restricted assets at September 30, 2009:

	Enterprise Fund
Pursuant to revenue bond ordinances:	
Bond reserve account	\$ 969,650
Revenue bond account	628,328
Operation and maintenance account	<u>355,000</u>
	1,952,978
Pursuant to grant agreements:	
Improvement and extension account	<u>667,435</u>
	<u>\$2,620,413</u>

Restricted cash is recorded at cost, which approximates market value, and consists of equity in the pooled investment account in the form of U. S. Treasury obligations and interest bearing accounts held by the City's agent in the City's name.

Interest Rate Risk: The City's investment policy for operating funds is limited to certificates of deposit with a maturity of 1 year or less.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT (CONTINUED)

Credit Risk: The City's investments at September 30, 2009 consisted entirely of U.S. Treasury obligations.

Concentration of Credit Risk: The City's investment policy places no limits on the amounts that may be invested in any one issuer.

NOTE 3 - RECEIVABLES

Receivables at September 30, 2009, are net of allowance for uncollectibles. The allowance for uncollectibles in the general fund was \$136,000 at September 30, 2009.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 2009, there was no short-term interfund borrowings.

As of September 30, 2009, long-term advances were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
Proprietary Fund – Water	General	<u>\$ 12,217</u>

The purpose of this interfund balance was to finance the fiber optic inventory purchased by the general fund from the water fund. The general fund is repaying the Water fund by making annual payments of \$12,828, including interest at 5%.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,616,193	\$ 51,712	\$ -	\$ 7,667,905
Construction in Progress	2,800,694	1,359,547	1,518,177	2,642,064
Total capital assets not being depreciated	10,416,887	1,411,259	1,518,177	10,309,969
Capital assets being depreciated:				
Buildings and improvements	9,566,851	-	-	9,566,851
Equipment, furniture and fixtures	9,661,160	503,472	213,373	9,951,259
Infrastructure	36,213,951	1,839,340	-	38,053,291
Total capital assets being depreciated	55,441,962	2,342,812	213,373	57,571,401
Less: Accumulated Depreciation for:				
Buildings and improvements	4,766,742	198,327	-	4,965,069
Equipment, furniture and fixtures	6,502,483	633,526	213,273	6,922,736
Infrastructure	11,646,700	1,230,924	-	12,877,624
Total accumulated depreciation	22,915,925	2,062,777	213,273	24,765,429
Total capital assets being depreciated, net	32,526,037	280,035	100	32,805,972
Governmental activities capital assets, net	\$ 42,942,924	\$ 1,691,294	\$ 1,518,277	\$ 43,115,941

Construction in progress at September 30, 2009, for the governmental activities consisted of costs associated with Victory Road Project, downtown sidewalk and street improvements, 25th St Improvement, US 275, Pine St Industrial Rd and NDOR Project N-35.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,953,581	\$ -	\$ -	\$ 1,953,581
Construction in Progress	40,124	397,611	-	437,735
Total capital assets not being depreciated	1,993,705	397,611	-	2,391,316
Capital assets being depreciated:				
Water and pollution control plant	26,820,715	33,300	-	26,854,015
Water distribution and sewage system	23,189,777	156,092	-	23,345,869
Equipment	4,294,116	95,527	7,092	4,382,551
Total capital assets being depreciated	54,304,608	284,919	7,092	54,582,435
Less: Accumulated Depreciation for:				
Water and pollution control plant	13,602,585	832,863	-	14,435,448
Water distribution and sewage system	3,874,147	211,507	4,917	4,080,737
Equipment, furniture and fixtures	2,053,964	157,601	6,553	2,205,012
Total accumulated depreciation	19,530,696	1,201,971	11,470	20,721,197
Total capital assets being depreciated, net	34,773,912	(917,052)	(4,378)	33,861,238
Business-type activities capital assets, net	\$ 36,767,617	\$ (519,441)	\$ (4,378)	\$ 36,252,554

Construction in progress at September 30, 2009 consisted of costs associated with the Plant Backwash Improvements Project with East Water Treatment Plant and Southwest Interceptor Routing Study.

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

Governmental Activities:	
General Government	\$ 47,247
Public Safety	476,320
Public Works	1,367,455
Parks, Recreation, and Public Property	130,636
Public Library	30,304
Community Improvement and Development	10,815
Total depreciation expense – governmental activities	<u>\$ 2,062,777</u>
Business-Type Activities:	
Solid Waste Management	\$ 69,846
Water	429,730
Sewer	702,395
Total depreciation expense – business-type activities	<u>\$ 1,201,971</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Reconciliation of Invested in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 7,667,905	\$ 1,953,581
Construction in Progress	2,642,064	437,735
Capital Assets (Net of Accumulated Depreciation)	32,805,972	33,861,238
Less: General Obligation Bonds Payable	3,720,000	-
Various Purpose Bonds Payable	2,405,000	-
Bond Anticipation Notes	340,000	-
Revenue Bonds Payable	-	7,748,120
Invested in Capital Assets, Net of Related Debt	<u>\$ 36,650,941</u>	<u>\$ 28,504,434</u>

NOTE 6 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

Changes in bonds payable and other long-term obligations for the period ended September 30, 2009 were as follows:

	Balance October 01, 2008	Additions	Retirements	Balance September 30, 2009	Due Within One Year
Governmental Activities:					
General obligation bonds (excluding special assessment bonds) 2.50% to 5.35%, Various maturities through 2029	\$ 3,895,000	\$ 300,000	\$ 475,000	\$ 3,720,000	\$ 500,000
Special assessment bonds, with City commitment, 1.20% to 4.60%, various maturities through 2019	935,000	1,730,000	260,000	2,405,000	345,000
Bond anticipation note, 1.80%, maturity September, 2012	2,335,000	340,000	2,335,000	340,000	-
Note Payable	169,644	-	38,690	130,954	32,738
Accrued compensated absences	1,058,415	996,423	664,615	1,390,223	698,314
Total Governmental Activities	<u>\$8,393,059</u>	<u>\$3,366,423</u>	<u>\$3,773,305</u>	<u>\$7,986,177</u>	<u>\$1,576,052</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 6 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Business Type Activities:	Balance October 01, 2008	Additions	Retirements	Balance September 30, 2009	Due Within One Year
Revenue Bonds, 3.2% to 5.20%, various maturities through 2024	\$ 7,510,000	\$ -	\$ 690,000	\$ 6,820,000	\$ 710,000
State Revolving Loan Fund Bond, 3.00% maturing 2017	1,050,980	-	110,290	940,690	113,624
Accrued Compensated absences	199,391	109,658	94,204	214,845	107,715
Total Business Type Activities	8,760,371	109,658	894,494	7,975,535	931,339
Grand Total	\$17,153,430	\$3,476,081	\$4,667,799	\$15,961,712	\$2,510,367

The revenue bonds are presented on the statement of net assets net of unamortized bond discounts of \$12,570.

Annual debt service requirements as of September 30, 2009 for general obligation and enterprise fund debt, including interest of \$2,770,195 is as follows:

Fiscal Year Ending	Governmental Activities				Business Type Activities	
	General Obligation Debt		Various Purpose Bonds		Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 500,000	\$ 144,279	\$ 345,000	\$ 73,309	\$ 823,624	\$ 294,511
2011	430,000	125,788	365,000	62,803	852,058	265,917
2012	440,000	110,111	225,000	51,768	880,596	234,869
2013	465,000	93,385	235,000	46,515	879,241	201,825
2014	480,000	75,192	240,000	40,343	837,997	168,496
2015	365,000	58,551	250,000	33,228	876,865	135,541
2016	390,000	43,803	175,000	25,403	865,851	99,919
2017	355,000	28,619	185,000	20,065	829,458	63,883
2018	55,000	13,859	190,000	13,960	110,000	43,488
2019	55,000	11,525	195,000	7,215	120,000	37,908
2020	15,000	9,121	-	-	125,000	31,843
2021	15,000	8,420	-	-	130,000	25,435
2022	15,000	7,693	-	-	135,000	18,710
2023	15,000	6,950	-	-	145,000	11,534
2024	20,000	6,070	-	-	150,000	3,900
2025	20,000	5,035	-	-	-	-
2026	20,000	3,975	-	-	-	-
2027	20,000	2,915	-	-	-	-
2028	20,000	1,853	-	-	-	-
2029	25,000	663	-	-	-	-
	\$3,720,000	\$ 757,807	\$ 2,405,000	\$ 374,609	\$7,760,690	\$1,637,779

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 6 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

General obligation bonds and other general long-term obligations represent indebtedness secured by the full faith and credit of the City. Special assessment bonds represent indebtedness supported by the full faith and credit of the City and are payable from the collection of special assessment receivables. Bond anticipation notes are used by the City as interim financing. The City has no legal debt limit; therefore, a computation of the legal debt margin is not required.

Revenue bonds are the obligation of the Enterprise Fund and are payable solely from the revenues of that fund. The City has pledged future utility customer revenues to repay \$14.3 million in various Water, Sewer and Solid Waste bonds issued December 2000 through September 2003. The bonds are paid solely from utility revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require less than 17% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,398,469. Principal and interest paid for the current year and total customer net revenues were \$1,112,687 and \$6,399,522, respectively.

The City has pledged a portion of future sales tax revenues to repay \$700,000 in revenue bonds issued in October 2003 to finance the construction of the 2nd fire station including equipment and continued staffing. The bonds are paid solely from the half cent sales tax revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$430,790. Principal and interest paid for the current year and total sales tax revenues were \$86,450 and \$6,760,144, respectively.

On August 25, 2009 the City issued \$340,000 special assessment bond anticipation notes with a maturity of September 1, 2012 and an interest rate of 1.80%. This bond was to pay for improvements for Paving District #495 and 501.

On September 16, 2005, the City loaned \$250,000 to MP Global through a Community Development Block Grant. This \$250,000 is owed back to the State of Nebraska. MP Global began making payments to the City August 1, 2006 and in turn the City is remitting those payments to the State. The loan has an interest rate of 0% for 30 years. The balance of the loan as of September 30, 2009 was \$130,954.

Prior to 1995, the City authorized a number of limited obligation industrial development revenue bonds. Although these bonds bear the name of the City of Norfolk, the City has no obligation for such debt beyond the resources provided by the leases securing this debt. This debt was issued on behalf of companies for the purchase of business assets and was done in order to provide lower tax-exempt interest rates. Since the City has no obligation for this debt, this debt is not reported as a liability on the balance sheet. Two of these issues remain outstanding with an original principal amount of \$4,000,000. The current amount outstanding is not readily determinable.

NOTE 7 – TRANSFERS

The following is a summary of transfers between funds:

	Governmental Fund Types				Total
	General	Debt Service	Special Assessments	Nonmajor Governmental	Transfer Out
General	\$ -	\$ 86,450	\$ -	\$ 207,504	\$ 293,954
City Highway Allocation	415,000	-	-	-	415,000
Nonmajor Governmental	438,841	-	-	-	438,841
Debt Service	-	-	518,195	175,000	693,195
Transfer In	<u>\$ 853,841</u>	<u>\$ 86,450</u>	<u>\$ 518,195</u>	<u>\$ 382,504</u>	<u>\$ 1,840,990</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 7 – TRANSFERS (Continued)

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

2. To use sales tax revenues collected in the general fund for property tax relief in the debt service fund as well as to fund capital construction.

NOTE 8 - EMPLOYEE PENSION PLANS

The City has three single-employer retirement systems covering City employees. The City and covered employees make contributions to these retirement plans. The total payroll for all employees during the period ended September 30, 2009 was \$9,957,831 of which \$8,809,756 related to employees covered by one of these three retirement systems. Forfeitures of non-vested employer contributions are used to pay for administrative costs. If forfeitures are insufficient, costs are financed through investment earnings.

Employees are allowed to invest their participant account balances in certain stock and/or bond mutual funds as well as guaranteed insurance accounts. Participants in the Civilian Employee Retirement System can direct their entire account balance to mutual funds. Participants in the Police and Firemen's Retirement Systems can only direct a portion of their accounts into these funds. All of these funds are invested through Ameritas Life Insurance Corporation. All investments are valued at market or contract value as more fully discussed in note 2. B. to these statements.

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are withheld from pay and due to the plan. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Civilian Employee Retirement System

The City of Norfolk's Civilian Employee Retirement System is a defined contribution plan, which covers substantially all regular employees working greater than 1,000 hours per year. Plan provisions, including contribution requirements, are established and amended by City ordinances. Participation in this plan is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The City contributes an amount up to 6% of the employee's compensation, pursuant to plan provisions as established by City ordinance. Employer contributions to this plan totaled \$310,970, and employee contributions totaled \$430,369.

Employees become fully vested in the employer contributions and related earnings after seven years of service. Current membership is comprised of the following:

Vested terminated employees	25
Active Employees:	
Non-vested	14
Partially vested	11
Fully vested	98
 Total membership	 <u>148</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 8 - EMPLOYEE PENSION PLANS (CONTINUED)

Police and Firemen's Retirement Systems

The Police Retirement System, a single employer defined benefit plan, covers all regular uniformed employees of the Norfolk Police Division, as required by State statutes and City ordinances. Effective January 1, 1984, the plan was changed from a defined benefit plan to a defined contribution plan in which the City matches employee contributions, up to 6% of compensation. The Firemen's Retirement System, a single employer defined benefit plan, covers all regular uniformed employees of the Norfolk Fire Division, as required by State statutes and City ordinances. The Firemen's Retirement Plan was also changed, effective January 1, 1984, from a defined benefit plan to a defined contribution plan in which the City contributes twice the employees' contribution, which is 6 1/2% of base pay.

Both plans stipulate that, for participants employed prior to January 1, 1984, retirement benefits shall not be less than 50% of final earnings, as defined. The benefits shall not be less than 40% of final earnings, as defined in the event a police officer elects early retirement. Because of these minimum benefit guarantees for participants employed prior to January 1, 1984, these plans are treated as defined benefit plans for financial reporting purposes.

Participants in both the Police and Firemen's Retirement Systems are fully vested in the amounts they contribute to the plans, together with the related earnings. Participants become fully vested in employer contributions and related earnings after ten years of service. Current membership is comprised of the following:

	Police Retirement System	Firemen's Retirement System	Total
	_____	_____	_____
Current covered employees:			
Non-vested	10	-	10
Partially vested	8	-	8
Fully vested	22	36	58
	_____	_____	_____
	40	36	76
Retirees and beneficiaries currently			
Receiving benefits from the plan	-	-	-
Terminated employees entitled to,			
But not yet receiving benefits	13	-	13
	_____	_____	_____
Total active and inactive participants	<u>53</u>	<u>36</u>	<u>89</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 8 – EMPLOYEE PENSION PLANS (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

Actuarial Valuation Date(1) Fiscal Year Ending	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Fire						
2001	3,698,838	3,698,838	-	100.0%	940,286	0.00%
2002	3,474,047	3,474,047	-	100.0%	975,556	0.00%
2003	4,123,606	4,123,606	-	100.0%	1,152,063	0.00%
2004	4,752,051	4,752,051	-	100.0%	1,242,030	0.00%
2005	5,012,780	5,012,780	-	100.0%	1,304,663	0.00%
2006	5,205,751	5,205,751	-	100.0%	1,335,544	0.00%
2007	5,836,535	5,836,535	-	100.0%	1,380,975	0.00%
2008	5,404,516	5,404,516	-	100.0%	1,418,670	0.00%
2009	5,764,455	5,764,455	-	100.0%	1,532,259	0.00%
Police						
2001	2,899,255	2,899,255	-	100.0%	1,444,857	0.0%
2002	3,070,458	3,070,458	-	100.0%	1,485,186	0.0%
2003	3,488,992	3,488,992	-	100.0%	1,645,314	0.0%
2004	3,788,812	3,788,812	-	100.0%	1,796,690	0.0%
2005	4,178,798	4,178,798	-	100.0%	1,867,048	0.0%
2006	4,572,173	4,572,173	-	100.0%	1,845,479	0.0%
2007	5,048,089	5,048,089	-	100.0%	1,787,394	0.0%
2008	4,812,827	4,812,827	-	100.0%	1,878,457	0.0%
2009	4,982,489	4,982,489	-	100.0%	1,882,616	0.0%

Schedule of Employer Contributions

Fiscal Year Ended	Fire		Police	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2001	217,352	100%	89,415	100%
2002	140,091	100%	101,954	100%
2003	169,410	100%	109,041	100%
2004	178,605	100%	113,365	100%
2005	189,027	100%	120,520	100%
2006	156,272	100%	150,327	100%
2007	179,655	100%	108,094	100%
2008	178,605	100%	126,798	100%
2009	199,195	100%	112,957	100%

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 8 - EMPLOYEE PENSION PLANS (CONTINUED)

Actuarial valuations of the Police and Firemen's Retirement Plans are performed annually, with the most recent as of October 1, 2009. The actuarial value of assets is market or contract value as more fully discussed in note 2. B. to these statements. The City uses the Frozen Entry Age Normal actuarial method for reporting and disclosure purposes. Any actuarial gains or losses are amortized, as a level percentage of projected payroll, over the future working careers of covered participants. The City annually contributes actuarially determined amounts in addition to the matching contributions. These contributions are recognized as expenses when made. Significant actuarial assumptions include a 7% return on plan assets and 4% annual salary increases, 3% of which is assumed to be due to inflation and 1% assumed to be due to merit pay increases. Publicly issued financial reports are not available for any of the pension plans.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The City has received financial assistance from federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and the Single Audit Act, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds, however, such disallowed claims, if any, are not expected to have a materially adverse effect on the City's financial position at September 30, 2009.

The city has entered into various contracts for street and other capital improvements. The remaining commitment under these contracts is \$1,482,490. \$181,525 will be paid from the City Highway Allocation Fund, \$1,253,029 will be paid from the Capital Construction Fund, \$39,861 will be paid from the Vehicle Parking Fund, and \$8,075 will be paid Community Development Block Grant Fund. The City also entered into various contracts for Water and Sewer Improvement Projects. The remaining commitment under these contracts is approximately \$699,624 and \$696,179 will be paid by the Water Division with \$3,445 will be paid by the Sewer Division.

The City of Norfolk passed a resolution on May 5, 2008 to make quarterly payments in the amount of \$50,000 each over a 5 year period to Northeast Community College Foundation declaring its intent to support the College of Nursing Northern Division Capital Campaign. The commitment will be paid from the revenue generated from the leasing of the City's electrical distribution system to NPPD after September 30, 2009.

As more fully discussed in Note 1. A., the City has guaranteed one-third of the Northeast Nebraska Solid Waste Coalition \$8,000,000 Revenue Bonds dated October 1, 1998. These issues are expected to be paid from landfill revenues or future bond issues and do not require any City funding.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 10 - INDIVIDUAL FUND DISCLOSURES

Certain information concerning individual funds is as follows:

A. The following funds had a deficit balance as of September 30, 2009:

Capital Project Fund	Special Assessment	(\$186,281)
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B. The City maintains the following insurance coverage on the water and sewage treatment and solid waste facilities of the Enterprise Fund:

Fire and extended coverage with a \$5,000 deductible on various water and sewage treatment and solid waste facilities. Buildings and contents insured at \$40,842,162.

Boiler and machinery coverage on City utility plant is covered under a blanket of \$63 million per accident policy.

The City provides water, sewer, and solid waste management services (transfer station) through the Enterprise Fund. These services are financed through user charges. Segment information for the Enterprise Fund is as follows:

CONDENSED STATEMENT OF NET ASSETS

	Water Division	Sewer Division	Solid Waste Management Division	Totals
Assets:				
Current assets	\$ 5,596,780	\$1,129,145	\$ 481,960	\$ 7,207,885
Restricted assets	403,006	1,944,806	272,601	2,620,413
Noncurrent assets	23,079	67,463	-	90,542
Capital assets	22,073,880	13,302,245	876,429	36,252,554
Total assets	28,096,745	16,443,659	1,630,990	46,171,394
Liabilities:				
Current liabilities	404,221	672,425	214,101	1,290,747
Noncurrent liabilities	2,446,504	4,237,695	347,427	7,031,626
Total liabilities	2,850,725	4,910,120	561,528	8,322,373
Net assets:				
Invested in capital assets, net of related debt	19,478,190	8,570,815	455,429	28,504,434
Restricted	356,211	1,891,843	265,327	2,513,381
Unrestricted	5,411,619	1,070,881	348,706	6,831,206
Total net assets	\$25,246,020	\$11,533,539	\$ 1,069,462	\$37,849,021

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 10 - INDIVIDUAL FUND DISCLOSURES (Continued)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Water Division	Sewer Division	Solid Waste Management Division	Totals
Operating revenues	\$2,210,112	\$2,343,513	\$1,699,431	\$ 6,253,056
Depreciation and amortization	429,730	713,604	69,846	1,213,180
Other operating expenses	1,340,450	1,631,445	1,488,954	4,460,849
Operating income (loss)	439,932	(1,536)	140,631	579,027
Nonoperating revenues (expenses):				
Interest on bonds and other debt	(107,260)	(183,992)	(21,145)	(312,397)
Interest income	74,679	61,649	10,138	146,466
Market Value Gain	-	18,920	-	18,920
Capital Contributions	148,905	18,941	3,558	171,404
Change in net assets	556,256	(86,018)	133,182	603,420
Beginning net assets	24,689,764	11,619,557	936,280	37,245,601
Ending net assets	\$25,246,020	\$11,533,539	\$1,069,462	\$37,849,021

CONDENSED STATEMENT OF CASH FLOWS	Water Division	Sewer Division	Solid Waste Management Division	Totals
Net cash provided (used) by:				
Operating activities	\$ 912,560	\$ 683,313	\$194,597	\$ 1,790,470
Capital and related financing activities	(617,817)	(781,239)	(131,900)	(1,530,956)
Investing activities	32,559	65,856	5,568	103,983
Net increase (decrease)	327,302	(32,070)	68,265	363,497
Beginning cash and cash equivalents	5,005,726	2,738,568	482,823	8,227,117
Ending cash and cash equivalents	\$5,333,028	\$2,706,498	\$ 551,088	\$ 8,590,614

Individual Fund Information for the Employee Retirement Funds follows:

COMBINING STATEMENT OF NET ASSETS

	Firemen's Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
ASSETS				
Guaranteed Insurance Contracts	\$3,049,178	\$2,683,814	\$4,946,434	\$10,679,426
Open Ended Mutual Funds	2,715,277	2,298,675	7,485,753	12,499,705
Total Assets	<u>5,764,455</u>	<u>4,982,489</u>	<u>12,432,187</u>	<u>23,179,131</u>
NET ASSETS				
Held in Trust for Pension Benefits	5,764,455	4,982,489	12,432,187	23,179,131
Total Net Assets	<u>\$5,764,455</u>	<u>\$4,982,489</u>	<u>\$12,432,187</u>	<u>\$23,179,131</u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 10 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

COMBINING STATEMENT OF CHANGES IN NET ASSETS

	Firemen's Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 207,945	\$ 120,650	\$ 310,970	\$ 639,565
Employee	<u>99,598</u>	<u>112,957</u>	<u>430,369</u>	<u>642,924</u>
Total Contributions	<u>307,543</u>	<u>233,607</u>	<u>741,339</u>	<u>1,282,489</u>
Investment Income:				
Interest, Dividends and Market Gains (Losses)	<u>136,876</u>	<u>191,282</u>	<u>189,421</u>	<u>517,579</u>
Total Additions	<u>444,419</u>	<u>424,889</u>	<u>930,760</u>	<u>1,800,068</u>
DEDUCTIONS				
Pension Benefits	84,480	241,776	474,506	800,762
Contribution Refunds	<u>-</u>	<u>13,451</u>	<u>283,680</u>	<u>297,131</u>
Total Deductions	<u>84,480</u>	<u>255,227</u>	<u>758,186</u>	<u>1,097,893</u>
Net Increase	359,939	169,662	172,574	702,175
Net Assets -- Beginning of Period	<u>5,404,516</u>	<u>4,812,827</u>	<u>12,259,613</u>	<u>22,476,956</u>
Net Assets -- End of Period	<u><u>\$5,764,455</u></u>	<u><u>\$4,982,489</u></u>	<u><u>\$ 12,432,187</u></u>	<u><u>\$23,179,131</u></u>

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2009

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and group health and dental claims. The City participates in the League Association of Risk Management (LARM), a public entity risk pool, to cover the risk of loss except for health and dental coverage, which is self-insured. The City pays an annual premium contribution to LARM for its insurance coverage membership in the self-insurance pool. LARM purchases reinsurance through commercial companies for claims in excess of \$100,000 for property or \$300,000 for liability per single loss, or a combined loss of \$5 million. Workers Compensation reinsurance covers claims in excess of \$500,000 for a single loss or a combined loss of \$1.8 million. The retentions meet the actuarially determined requirements of the third party administrator reducing the risk of assessments over premiums. The policy period is October 1, 2008 to September 30, 2009. The terms of coverage did not change substantially in the current fiscal year from the prior fiscal year and settled claims have not exceeded this coverage in any of the past three fiscal years.

Group health and dental coverage provided by the City is accounted for in the Internal Service Fund, which is used to accumulate resources to fund claims under the City's self-insured health and dental plans. City contributions to fund this coverage are reported by the respective funds as expenditures and shown as revenue in the Internal Service Fund. The employees' share is also shown as revenue in the internal service fund. The City purchases reinsurance to protect against large losses. This reinsurance pays for individual claims in excess of \$50,000 and limits City payments for claims during the year to a maximum of \$998,999. The September 30, 2009 claims liability of \$259,049 is included in accounts and contracts payable for the Internal Service Fund. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that the liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of financial statements and the amount of loss can be reasonably estimated. This claims liability includes accruals for claims incurred but not paid and claims incurred but not reported. Changes in the claims liability amount for the year ending September 30, 2009 and the year ending September 30, 2008 are:

	<u>Beginning</u>	<u>Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending</u>
2008	\$196,370	\$1,288,212	\$1,251,470	\$233,112
2009	\$233,112	\$1,438,329	\$1,412,392	\$259,049

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORFOLK, NEBRASKA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS**

For the Year Ended September 30, 2009

	General Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 7,723,635	\$ 7,849,902	\$ 126,267
Licenses and Permits	248,865	322,093	73,228
Intergovernmental Revenue	529,946	636,579	106,633
Charges for Services	1,281,828	1,352,221	70,393
Occupation and Franchise Taxes	620,700	661,628	40,928
Payments in Lieu of Taxes	36,000	45,250	9,250
Loan Repayments	-	-	-
Rental Income	3,318,421	3,434,628	116,207
Interest	37,200	27,121	(10,079)
Keno Revenue	500,000	433,238	(66,762)
Miscellaneous	159,000	285,998	126,998
Total Revenue	<u>14,455,595</u>	<u>15,048,658</u>	<u>593,063</u>
Current Expenditures:			
Public Safety	7,619,114	7,095,985	523,129
Public Works	2,874,638	2,602,135	272,503
Public Library	1,166,995	1,133,879	33,116
Parks, Recreation and Public Property	1,877,578	1,836,901	40,677
Communtiy Improvement and Development	404,319	376,978	27,341
General Government	2,724,031	2,546,072	177,959
Total Expenditures	<u>16,666,675</u>	<u>15,591,950</u>	<u>1,074,725</u>
Excess (deficiency) of revenues over expenditures	<u>(2,211,080)</u>	<u>(543,292)</u>	<u>1,667,788</u>
Other financing sources (uses):			
Transfers In	721,000	796,290	75,290
Transfers Out	<u>(146,668)</u>	<u>(306,782)</u>	<u>(160,114)</u>
Total other financing sources (uses)	<u>574,332</u>	<u>489,508</u>	<u>(84,824)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,636,748)</u>	<u>(53,784)</u>	<u>\$ 1,582,964</u>
Fund balances-beginning of year		<u>3,247,368</u>	
Fund balances- end of year		<u>\$ 3,193,584</u>	

City Highway Allocation Fund			Community Development Block Grant Fund		
Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,243,600	2,125,407	(118,193)	941,395	270,497	(670,898)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,714	112,178	31,464
-	-	-	-	-	-
39,000	42,205	3,205	3,500	2,743	(757)
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,282,600</u>	<u>2,167,612</u>	<u>(114,988)</u>	<u>1,025,609</u>	<u>385,418</u>	<u>(640,191)</u>
-	-	-	-	-	-
4,581,000	2,687,062	1,893,938	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,376,997	548,735	828,262
-	-	-	-	-	-
<u>4,581,000</u>	<u>2,687,062</u>	<u>1,893,938</u>	<u>1,376,997</u>	<u>548,735</u>	<u>828,262</u>
<u>(2,298,400)</u>	<u>(519,450)</u>	<u>1,778,950</u>	<u>(351,388)</u>	<u>(163,317)</u>	<u>188,071</u>
-	-	-	-	-	-
(415,000)	(415,000)	-	-	-	-
<u>(415,000)</u>	<u>(415,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (2,713,400)</u>	<u>(934,450)</u>	<u>\$ 1,778,950</u>	<u>\$ (351,388)</u>	<u>(163,317)</u>	<u>\$ 188,071</u>
	<u>4,025,570</u>			<u>400,242</u>	
	<u>\$ 3,091,120</u>			<u>\$ 236,925</u>	

City of Norfolk, NEBRASKA
Notes to Required Supplementary Information Budgetary Reporting
September 30, 2009

Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At or around May 1, the City's department and division heads prepare and submit budget requests for the following fiscal year to the City Administrator who then reviews the requests with the department and division heads.
2. After this review process has been completed, the City Administrator presents these budget requests to the Mayor and City Council along with his recommendations as to what changes, if any should be made. These budget requests and recommendations are reviewed by the Finance Committee of the City Council at meetings open to the public.
3. A public hearing on the budget is then conducted at a City Council meeting to obtain citizen comments.
4. Prior to October 1, the City Council legally enacts the ensuing fiscal year's budget for all funds, except Fiduciary Funds and the Community Development Capital Project Fund through the passage of an ordinance, which establishes the legal level of control (the level on which expenditures may not legally exceed appropriations) at the total governmental fund level.

Proposed expenditures, which are expected to exceed the fund's total appropriation, require amendment by the City Council. The legal level of budgetary control is at the total governmental fund level. Expenditures in excess of the amount budgeted within individual funds do not require amendment by the City Council.

Appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as reservations of fund balance and generally are re-appropriated in the next fiscal year.

5. Formal budgetary integration is employed as a management control device during the year for all Governmental and Proprietary Funds.
6. The budgets adopted are stated on a cash basis. Budgetary comparisons are presented in the financial statements for the governmental funds and are on this budgetary basis, which is not in accordance with U.S. generally accepted accounting principles.
7. There were no budget amendments during the year.

BUDGETARY CONTROL

The annual appropriated budget adopted by the City is prepared on a cash basis and, therefore, the budgetary basis differs from that used to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Such differences and their effect on the respective funds reported operations are summarized as follows:

City of Norfolk, NEBRASKA
Notes to Required Supplementary Information Budgetary Reporting
September 30, 2009

	General	City Highway Allocation	Community Development Block Grant
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a budgetary basis	(\$ 53,784)	(\$934,450)	(\$163,317)
Basis differences:			
To adjust revenues from recognition on a cash basis	229,080	(48,280)	(11,255)
To adjust other financial sources from recognition on a cash basis:			
Proceeds of debt	-	-	-
To adjust total expenditures from recognition on a cash basis	(92,860)	269,630	10,284
To adjust operating transfers out	12,828	-	-
To adjust operating transfers in	57,551		
 Excess of revenues and other financial sources over expenditures and other financial uses, on a GAAP basis	 \$ 152,815	 \$ (713,100)	 (164,288)

	Total Governmental Funds
Expenditures and other financing uses, on a budgetary basis	\$(23,911,747)
Basis Differences:	
To adjust total expenditures from recognition on a cash Basis	1,059,646
To adjust operating transfers out	6,305
Expenditures and other financing uses, on a GAAP basis	<u>\$ (22,845,796)</u>

The following schedule demonstrates the City's legal compliance to the budget

Fund	Budget	Actual	Variance Over (Under) Budget
Governmental Funds Expenditures	<u>\$29,213,669</u>	<u>\$23,911,747</u>	<u>\$(5,301,922)</u>

OTHER SUPPLEMENTARY INFORMATION

GOVERNMENTAL NONMAJOR FUNDS

VEHICLE PARKING FUND - This fund is used to account for the revenues and expenditures of Parking District No. 1. This is a special taxing district, encompassing the downtown area, created for the purpose of providing and maintaining off-street parking lots for employees and customers of the downtown businesses. This fund also is involved with downtown promotions and beautification.

COMMUNITY CHARACTER DEVELOPMENT COALITION FUND - This fund is used to account for federal grants from the department of Health and Human Services. The use of these funds is restricted to community character development as defined in the grant agreements.

911 FUND – This fund is used to account for proceeds from a \$1.00 per month surcharge on each local exchange access telephone line which physically terminates within the City of Norfolk's designated 911 telephone service area. These funds are used for the provision of 911 emergency telephone services to various emergency response agencies in the City of Norfolk's 911 telephone service area. This service area covers parts of four (4) counties and receives emergency phone calls for the provision of law enforcement, fire, and rescue services.

SNARE FUND - This fund is used to account for the proceeds of a law enforcement grant.

REGION 11 EMERGENCY MANAGEMENT FUND – This fund is used to account for revenue received for emergency management in Antelope County, Pierce County, Madison County and the City of Norfolk. These governments contribute to the fund based upon population. This fund also accounts for emergency management grants received for the area.

STORM WATER MANAGEMENT – This fund is used to account for revenue to implement the Storm Water Management Plan required by the Nebraska Legislature in 2006. The Nebraska Department of Environmental Quality (NDEQ) grants funds according to population size and there must be a 20% match from the community.

COMMUNITY DEVELOPMENT AGENCY FUND – This fund is used to account for the construction of fixed assets financed by the issuance of tax increment financing bonds by the Community Development Agency of the City of Norfolk.

CAPITAL CONSTRUCTION FUND – This fund is used to account for the acquisition and construction of major capital items other than those financed by proprietary funds and trust funds, or special assessments.

CITY OF NORFOLK, NEBRASKA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
September 30, 2009

	Special Revenue Funds					
	Vehicle Parking	Community Character Development Coalition	911	SNARE	Region 11	Storm Water Management
Assets						
Cash and Equity in Pooled Investment Account	\$ 259,179	\$ 13,803	\$ 78,161	\$ 160,499	\$ 212,699	\$ 53,430
Receivables (Net, where applicable, of allowance for uncollectibles)						
Accounts	1,744	-	50,419	137	-	-
Taxes	15,971	-	-	-	-	-
Accrued Interest	3,057	-	922	-	2,508	630
Notes Receivable	64,162	-	-	-	-	-
Due from Other Governmental Agencies	-	34,850	-	-	9,703	-
Total Assets	344,113	48,653	129,502	160,636	224,910	54,060
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	20,301	15,974	-	1,159	1,280	731
Deferred Revenue	64,162	-	-	6,045	-	-
Total Liabilities	84,463	15,974	-	7,204	1,280	731
Fund Balances (Deficit):						
Reserved for:						
Encumbrance	5,284	-	-	-	-	-
Unreserved	254,366	32,679	129,502	153,432	223,630	53,329
Total Fund Balances (Deficit)	259,650	32,679	129,502	153,432	223,630	53,329
Total Liabilities and Equity	\$ 344,113	\$ 48,653	\$ 129,502	\$ 160,636	\$ 224,910	\$ 54,060

Capital Projects		
Community Development Agency	Capital Construction	Total Governmental Nonmajor Funds
\$ 374,882	\$ 347,368	\$ 1,500,021
-	-	52,300
-	-	15,971
-	4,097	11,214
-	-	64,162
-	-	44,553
374,882	351,465	1,688,221
-	-	39,445
-	-	70,207
-	-	109,652
-	-	5,284
374,882	351,465	1,573,285
374,882	351,465	1,578,569
\$ 374,882	\$ 351,465	\$ 1,688,221

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended September 30, 2009

	Special Revenue Funds					
	Vehicle Parking	Community Character Development Coalition	911	SNARE	Region 11	Storm Water Management
Revenue:						
Taxes	\$ 80,713	\$ -	\$ 322,883	\$ -	\$ -	\$ -
Intergovernmental Revenue	326	376,078	-	63,504	339,253	51,944
Rental Income	12,229	-	-	-	-	-
Loan Repayments	8,521	-	-	-	-	-
Interest	7,328	-	1,901	-	3,850	1,160
Miscellaneous	9,734	13,348	-	71,845	-	-
Total Revenue	118,851	389,426	324,784	135,349	343,103	53,104
Expenditures:						
Public Safety	-	-	-	106,313	208,801	-
Public Works	219,707	-	-	-	-	45,569
Community Improvement and Development	-	376,515	-	-	-	-
Debt Service	6,443	-	-	-	-	-
Total Expenditures	226,150	376,515	-	106,313	208,801	45,569
Excess (deficiency) of revenues over expenditures	(107,299)	12,911	324,784	29,036	134,302	7,535
Other financing sources (uses):						
Issuance of Long-Term Debt	300,000	-	-	-	-	-
Transfers In	-	-	-	-	37,115	10,389
Transfers Out	-	-	(302,906)	-	(104,500)	(31,435)
Total other financing sources (uses)	300,000	-	(302,906)	-	(67,385)	(21,046)
Net Change in Fund Balance	192,701	12,911	21,878	29,036	66,917	(13,511)
Fund balances - beginning of year	66,949	19,768	107,624	124,396	156,713	66,840
Fund balances - end of year	\$ 259,650	\$ 32,679	\$ 129,502	\$ 153,432	\$ 223,630	\$ 53,329

Capital Projects		
Community Development Agency	Capital Construction	Total Governmental Nonmajor Funds
\$ -	\$ -	\$ 403,596
-	-	831,105
-	-	12,229
-	-	8,521
973	5,246	20,458
-	-	94,927
973	5,246	1,370,836
-	-	315,114
-	-	265,276
-	-	376,515
-	-	6,443
-	-	963,348
973	5,246	407,488
-	-	300,000
-	335,000	382,504
-	-	(438,841)
-	335,000	243,663
973	340,246	651,151
373,909	11,219	927,418
\$ 374,882	\$ 351,465	\$ 1,578,569

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS
For the Year Ended September 30, 2009

	Vehicle Parking			Community Character Development Coalition		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:						
Taxes	\$ 78,626	\$ 82,313	\$ 3,687	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	519,860	378,334	(141,526)
Contributions	-	-	-	-	13,349	13,349
Loan Repayments	5,000	8,521	3,521	-	-	-
Rental Income	12,400	10,886	(1,514)	-	-	-
Interest	1,700	4,829	3,129	-	-	-
Miscellaneous	-	9,733	9,733	-	-	-
Total Revenue	<u>97,726</u>	<u>116,282</u>	<u>18,556</u>	<u>519,860</u>	<u>391,683</u>	<u>(128,177)</u>
Current Expenditures:						
Public Safety	-	-	-	-	-	-
Public Works	310,873	285,186	25,687	-	-	-
Community Improvement and Development	-	-	-	522,951	377,443	145,508
Debt Service	24,073	6,443	17,630	-	-	-
Total Expenditures	<u>334,946</u>	<u>291,629</u>	<u>43,317</u>	<u>522,951</u>	<u>377,443</u>	<u>145,508</u>
Excess (deficiency) of revenues over expenditures	<u>(237,220)</u>	<u>(175,347)</u>	<u>61,873</u>	<u>(3,091)</u>	<u>14,240</u>	<u>17,331</u>
Other financing sources (uses):						
Proceeds from Debt Financing	300,000	300,000	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 62,780</u>	<u>124,653</u>	<u>\$ 61,873</u>	<u>\$ (3,091)</u>	<u>14,240</u>	<u>\$ 17,331</u>
Fund balances-beginning of year		<u>134,526</u>			<u>(437)</u>	
Fund balances- end of year		<u>\$ 259,179</u>			<u>\$ 13,803</u>	

911			SNARE			REGION 11			Storm Water Management		
Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
\$ 276,400	\$ 324,102	\$ 47,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	66,497	64,154	(2,343)	353,377	339,024	(14,353)	51,373	51,945	572
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
343	1,212	869	-	-	-	8,800	1,956	(6,844)	1,000	806	(194)
-	-	-	15,000	71,845	56,845	-	-	-	-	-	-
<u>276,743</u>	<u>325,314</u>	<u>48,571</u>	<u>81,497</u>	<u>135,999</u>	<u>54,502</u>	<u>362,177</u>	<u>340,980</u>	<u>(21,197)</u>	<u>52,373</u>	<u>52,751</u>	<u>378</u>
4,000	-	4,000	141,604	106,816	34,788	399,940	312,087	87,853	-	-	-
-	-	-	-	-	-	-	-	-	137,715	76,274	61,441
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>141,604</u>	<u>106,816</u>	<u>34,788</u>	<u>399,940</u>	<u>312,087</u>	<u>87,853</u>	<u>137,715</u>	<u>76,274</u>	<u>61,441</u>
<u>272,743</u>	<u>325,314</u>	<u>52,571</u>	<u>(60,107)</u>	<u>29,183</u>	<u>89,290</u>	<u>(37,763)</u>	<u>28,893</u>	<u>66,656</u>	<u>(85,342)</u>	<u>(23,523)</u>	<u>61,819</u>
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	37,115	37,115	-	10,275	10,389	114
<u>(306,000)</u>	<u>(302,906)</u>	<u>3,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(306,000)</u>	<u>(302,906)</u>	<u>3,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,115</u>	<u>37,115</u>	<u>-</u>	<u>10,275</u>	<u>10,389</u>	<u>114</u>
<u>\$ (33,257)</u>	<u>22,408</u>	<u>\$ 55,665</u>	<u>\$ (60,107)</u>	<u>29,183</u>	<u>\$ 89,290</u>	<u>\$ (648)</u>	<u>66,008</u>	<u>\$ 66,656</u>	<u>\$ (75,067)</u>	<u>(13,134)</u>	<u>\$ 61,933</u>
	<u>55,753</u>			<u>131,316</u>			<u>146,691</u>			<u>66,564</u>	
	<u>\$ 78,161</u>			<u>\$ 160,499</u>			<u>\$ 212,699</u>			<u>\$ 53,430</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, CAPITAL PROJECT FUNDS - BUDGETARY BASIS
For the Year Ended September 30, 2009

	Capital Construction			Special Assessments		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:						
Special Assessments	\$ -	\$ -	\$ -	\$ 4,948	\$ -	\$ (4,948)
Interest	-	1,197	1,197	6,484	858	(5,626)
Total Revenue	-	1,197	1,197	11,432	858	(10,574)
Expenditures:						
Public Works	1,446,000	-	1,446,000	1,127,000	555,072	571,928
General Government	-	-	-	32,000	28,152	3,848
Debt Service	-	-	-	387,183	560,420	(173,237)
Total Expenditures	1,446,000	-	1,446,000	1,546,183	1,143,644	402,539
Excess (deficiency) of revenues over expenditures	(1,446,000)	1,197	1,447,197	(1,534,751)	(1,142,786)	391,965
Other financing sources (uses):						
Proceeds from Debt Financing	1,400,000	-	(1,400,000)	1,000,000	340,000	(660,000)
Transfers In	-	335,000	335,000	-	520,526	520,526
Transfers Out	-	-	-	-	(127,081)	(127,081)
Total other financing sources (uses)	1,400,000	335,000	(1,065,000)	1,000,000	733,445	(266,555)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (46,000)</u>	<u>336,197</u>	<u>\$ 382,197</u>	<u>\$ (534,751)</u>	<u>(409,341)</u>	<u>\$ 125,410</u>
Fund balances-beginning of year		<u>11,171</u>			<u>561,268</u>	
Fund balances- end of year		<u>\$ 347,368</u>			<u>\$ 151,927</u>	

CITY OF NORFOLK, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, DEBT SERVICE FUND - BUDGETARY BASIS
For the Year Ended September 30, 2009

	Debt service		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 730,676	\$ 759,534	\$ 28,858
Special Assessments	32,344	685,607	653,263
Intergovernmental Revenue	-	27,625	27,625
Interest	24,398	39,892	15,494
Total Revenue	<u>787,418</u>	<u>1,512,658</u>	<u>725,240</u>
Current Expenditures:			
Public Works	-	8,948	(8,948)
Debt Service	1,053,545	919,864	(133,681)
Total Expenditures	<u>1,053,545</u>	<u>928,812</u>	<u>(142,629)</u>
Excess (deficiency) of revenues over expenditures	<u>(266,127)</u>	583,846	849,973
Other financing sources (uses):			
Transfers In	220,895	86,450	(134,445)
Transfers Out	(134,445)	(695,526)	(561,081)
Total other financing sources (uses)	<u>86,450</u>	<u>(609,076)</u>	<u>(695,526)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (179,677)</u>	(25,230)	<u>\$ 154,447</u>
Fund balances-beginning of year		<u>1,123,292</u>	
Fund balances- end of year		<u>\$ 1,098,062</u>	

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BUSINESS TYPE ACTIVITIES

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government has decided that periodic determination of net income is appropriate for accountability purposes.

COMBINED UTILITY FUND - This fund is used to account for the operations of the City's water and sewer utilities and the solid waste transfer station.

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF NET ASSETS
COMBINED UTILITIES
September 30, 2009

ASSETS	Water Division	Sewer Division	Solid Waste Management Division	Totals
Current assets:				
Cash and equity in pooled investment account	\$4,930,022	\$761,692	\$278,487	\$5,970,201
Receivables:				
Accounts	363,466	330,751	196,977	891,194
Special assessments	-	3,128	-	3,128
Interest	62,908	33,574	6,496	102,978
Restricted Cash				
Cash & Cash Equivalents	240,419	583,963	106,274	930,656
Inventories:				
Fiber optic system held for resale	240,384	-	-	240,384
Total current assets	5,837,199	1,713,108	588,234	8,138,541
Noncurrent assets:				
Restricted assets:				
Restricted cash	162,587	1,360,843	166,327	1,689,757
Notes Receivable	10,862	-	-	10,862
Advance to other funds	12,217	-	-	12,217
Bond Acquisition Costs	-	67,463	-	67,463
Property, plant and equipment:				
Land	1,308,647	592,650	52,284	1,953,581
Water and pollution control plant	9,569,140	16,451,017	833,858	26,854,015
Water distribution and sewage system	15,361,390	7,984,479	-	23,345,869
Equipment	2,028,795	1,515,731	838,025	4,382,551
Construction in progress	437,735	-	-	437,735
	28,705,707	26,543,877	1,724,167	56,973,751
Less accumulated depreciation	6,631,827	13,241,632	847,738	20,721,197
Total property, plant and equipment (net of accumulated depreciation)	22,073,880	13,302,245	876,429	36,252,554
Total noncurrent assets	22,259,546	14,730,551	1,042,756	38,032,853
Total assets	\$28,096,745	\$16,443,659	\$1,630,990	\$46,171,394

LIABILITIES AND EQUITY	Water Division	Sewer Division	Solid Waste Management Division	Totals
Current liabilities:				
Accounts and contracts payable	\$119,807	\$46,061	\$86,508	\$252,376
Accrued compensated absences	43,995	42,401	21,319	107,715
Payables from restricted assets:				
Accrued interest payable	46,795	52,963	7,274	107,032
Revenue bonds - current	193,624	531,000	99,000	823,624
Total current liabilities	404,221	672,425	214,101	1,290,747
Noncurrent liabilities:				
Revenue bonds (Sewer division net of deferred bond discount of \$12,570 in 2009)	2,402,066	4,200,430	322,000	6,924,496
Accrued compensated absences	44,438	37,265	25,427	107,130
Total noncurrent liabilities	2,446,504	4,237,695	347,427	7,031,626
Total liabilities	2,850,725	4,910,120	561,528	8,322,373
Net Assets				
Invested in Capital Assets, Net of Related Debt	19,478,190	8,570,815	455,429	28,504,434
Restricted for:				
Debt Service	356,211	1,224,408	265,327	1,845,946
Future Capital Assets	-	667,435	-	667,435
Unrestricted	5,411,619	1,070,881	348,706	6,831,206
Total Net Assets	\$ 25,246,020	\$ 11,533,539	\$ 1,069,462	\$ 37,849,021

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
COMBINED UTILITIES
For the Year Ended September 30, 2009

	Water Division	Sewer Division	Solid Waste Management Division	Totals
Operating revenues:				
User charges	\$2,148,479	\$2,336,476	\$1,697,144	\$6,182,099
Miscellaneous Income	61,633	7,037	2,287	70,957
Total operating revenues	<u>2,210,112</u>	<u>2,343,513</u>	<u>1,699,431</u>	<u>6,253,056</u>
Operating expenses:				
Payroll and related taxes and benefits	684,101	731,798	389,314	1,805,213
Utilities	178,786	289,408	25,119	493,313
Repairs and maintenance	246,447	380,015	57,850	684,312
Purchased services	-	-	957,374	957,374
General and administration	231,116	230,224	59,297	520,637
Depreciation and amortization	429,730	713,604	69,846	1,213,180
Total operating expenses	<u>1,770,180</u>	<u>2,345,049</u>	<u>1,558,800</u>	<u>5,674,029</u>
Operating income (loss)	<u>439,932</u>	<u>(1,536)</u>	<u>140,631</u>	<u>579,027</u>
Nonoperating revenues (expenses):				
Interest on bonds and other debt	(107,260)	(183,992)	(21,145)	(312,397)
Interest income	74,679	61,649	10,138	146,466
Market Value Gain	-	18,920	-	18,920
Total nonoperating revenues (expenses)	<u>(32,581)</u>	<u>(103,423)</u>	<u>(11,007)</u>	<u>(147,011)</u>
Income before contributions	407,351	(104,959)	129,624	432,016
Capital contributions	<u>148,905</u>	<u>18,941</u>	<u>3,558</u>	<u>171,404</u>
Change in Net Assets	556,256	(86,018)	133,182	603,420
Net Assets - Beginning of Period	<u>24,689,764</u>	<u>11,619,557</u>	<u>936,280</u>	<u>37,245,601</u>
Net Assets - End of Period	<u>\$25,246,020</u>	<u>\$11,533,539</u>	<u>\$1,069,462</u>	<u>\$37,849,021</u>

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CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS
Combined Utilities
For the Year Ended September 30, 2009

	Water Division	Sewer Division	Solid Waste Management Division	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 2,305,307	\$ 2,330,608	\$ 1,687,618	\$ 6,323,533
Cash Paid to Suppliers for Goods and Services	(711,511)	(922,563)	(1,109,230)	(2,743,304)
Cash Paid to Employees for Services	(681,236)	(724,732)	(383,791)	(1,789,759)
Net Cash Provided by Operating Activities	912,560	683,313	194,597	1,790,470
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(352,552)	(79,544)	(12,368)	(444,464)
Change in Advance to Other Funds	11,635	-	-	11,635
Principal Paid on Notes and Bonds	(190,290)	(513,000)	(97,000)	(800,290)
Interest Paid on Notes and Bonds	(109,441)	(188,695)	(22,532)	(320,668)
Payments on Note Receivable	22,831	-	-	22,831
Net Cash (Used) for Capital and Related Financing Activities	(617,817)	(781,239)	(131,900)	(1,530,956)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	32,559	65,856	5,568	103,983
Net Cash Provided for Investing Activities	32,559	65,856	5,568	103,983
Net Increase (Decrease) in Cash and Cash Equivalents	327,302	(32,070)	68,265	363,497
Cash and Cash Equivalents at Beginning of Year	5,005,726	2,738,568	482,823	8,227,117
Cash and Cash Equivalents at End of Year	\$ 5,333,028	\$ 2,706,498	\$ 551,088	\$ 8,590,614

(Continued)

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS (Continued)
Combined Utilities
For the Year Ended September 30, 2009

	Water Division	Sewer Division	Solid Waste Management Division	Totals
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 439,932	\$ (1,536)	\$ 140,631	\$ 579,027
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	429,730	713,604	69,846	1,213,180
(Increase) decrease in Assets:				
Accounts Receivable	93,619	(12,905)	(11,813)	68,901
Special Assessments	1,576	-	-	1,576
Inventories	(965)	-	-	(965)
Increase (decrease) in Liabilities:				
Accounts and Contracts Payable	(54,197)	(22,916)	(9,590)	(86,703)
Accrued Compensated Absences	2,865	7,066	5,523	15,454
Total Adjustments	472,628	684,849	53,966	1,211,443
Net Cash Provided by Operating Activities	\$ 912,560	\$ 683,313	\$ 194,597	\$ 1,790,470

**Supplemental Schedule of Noncash Capital and Related
Financing Activities:**

Developers Contribution of Distribution System	\$ 148,905	\$ 130,246	\$ 3,558	\$ 282,709
Accounts Payable Exchanged for Capital Assets	\$ 73,169	\$ -	\$ -	\$ 73,169

**Reconciliation of Cash and Cash Equivalents to the Balance
Sheet:**

Cash and Equity in Pooled Investment Account	\$ 4,930,022	\$ 761,692	\$ 278,487	\$ 5,970,201
Restricted Cash	403,006	1,944,806	272,601	2,620,413
	\$ 5,333,028	\$ 2,706,498	\$ 551,088	\$ 8,590,614

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FIDUCIARY FUNDS

Trust Funds are used to account for assets held by the City in a trustee capacity. **Agency Funds** are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

PENSION TRUST FUNDS:

FIREMEN'S RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighters.

POLICE RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified police officers.

CIVILIAN RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the City.

AGENCY FUND:

COMMUNITY DEVELOPMENT AGENCY FUND – This fund is used to account for the accumulation of resources for payment of principal and interest on tax increment financing bonds issued by the Community Development Agency of the City of Norfolk. These bonds were issued to provide the long-term financing for the redevelopment of the Southwest Norfolk Redevelopment Plan area and the Meadow Ridge Housing Development area. These bonds are payable only from real estate taxes on certain property located within these plan areas and do not constitute general obligations of the Agency or the City.

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF NET ASSETS
Employee Retirement Funds
September 30, 2009

	Firemen's Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
ASSETS				
Guaranteed Insurance Contracts	\$ 3,049,178	\$ 2,683,814	\$ 4,946,434	\$10,679,426
Open Ended Mutual Funds	2,715,277	2,298,675	7,485,753	12,499,705
Total Assets	<u>5,764,455</u>	<u>4,982,489</u>	<u>12,432,187</u>	<u>23,179,131</u>
NET ASSETS				
Held in Trust for Pension Benefits	5,764,455	4,982,489	12,432,187	23,179,131
Total Net Assets	<u>\$ 5,764,455</u>	<u>\$ 4,982,489</u>	<u>\$ 12,432,187</u>	<u>\$23,179,131</u>

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF CHANGES IN NET ASSETS
Employee Retirement Funds
For the Year Ended September 30, 2009

	Firemen's Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 207,945	\$ 120,650	\$ 310,970	\$ 639,565
Employee	99,598	112,957	430,369	642,924
Total Contributions	<u>307,543</u>	<u>233,607</u>	<u>741,339</u>	<u>1,282,489</u>
Investment Income:				
Interest, Dividends and Market Gains	<u>136,876</u>	<u>191,282</u>	<u>189,421</u>	<u>517,579</u>
Total Additions	<u>444,419</u>	<u>424,889</u>	<u>930,760</u>	<u>1,800,068</u>
DEDUCTIONS				
Pension Benefits	84,480	241,776	474,506	800,762
Contribution Refunds	-	13,451	283,680	297,131
Total Deductions	<u>84,480</u>	<u>255,227</u>	<u>758,186</u>	<u>1,097,893</u>
Net Increase	359,939	169,662	172,574	702,175
Net Assets -- Beginning of Period	<u>5,404,516</u>	<u>4,812,827</u>	<u>12,259,613</u>	<u>22,476,956</u>
Net Assets -- End of Period	<u>\$ 5,764,455</u>	<u>\$ 4,982,489</u>	<u>\$ 12,432,187</u>	<u>\$ 23,179,131</u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
Fiduciary Funds
For the Year Ended September 30, 2009

	Balance September 30, 2008	Additions	Deductions	Balance September 30, 2009
<u>COMMUNITY DEVELOPMENT AGENCY</u>				
<u>Assets</u>				
Cash	\$ 615,446	\$ 158,116	\$ 295,611	\$ 477,951
Taxes Receivable	4,938	7,396	4,938	7,396
Total Assets	620,384	165,512	300,549	485,347
<u>Liabilities</u>				
Due to Bondholders	620,384	165,512	300,549	485,347
Total Liabilities	\$ 620,384	\$ 165,512	\$ 300,549	\$ 485,347

STATISTICAL SECTION

CITY OF NORFOLK NEBRASKA
STATISTICAL SECTION
(Unaudited)

This part of the City of Norfolk's Comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Table</u>
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	1-4
Revenue Capacity These tables contain information that may assist the reader in assessing the City's most significant local revenue sources, property tax and sales tax.	5-11
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	12-15
Economic & Demographic Information These tables offer economic and demographic indicators to assist the reader in understanding the environment within the government's financial activities take place	16-17
Operating Information These tables contain service and infrastructure indicators that can inform on'e understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.	18-20

Source:

Unless otherwise noted the information in these tables is derived from the annual financial report for the revelant year. The City implemented GASB No. 34 in fiscal year 2003, therefore tables presenting government-wide information includes only seven years.

CITY OF NORFOLK, NEBRASKA
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS(1)
(accrual basis of accounting)

TABLE 1

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 36,650,941	\$ 35,777,924	\$ 34,084,125	\$ 35,743,248	\$ 16,357,346	\$ 13,724,889	\$ 9,617,883
Restricted	1,218,131	1,255,485	1,318,671	1,283,781	1,273,539	1,459,976	2,055,140
Unrestricted	14,205,078	13,841,116	13,935,043	11,243,475	9,872,675	8,982,873	9,932,272
Total Governmental Activities Net Assets	52,074,150	50,874,525	49,337,839	48,270,504	27,503,560	24,167,738	21,605,295
Business-Type Activities							
Invested in Capital Assets, Net of Related Debt	28,504,434	28,220,779	28,660,480	27,771,725	24,975,734	24,456,367	23,065,838
Restricted	2,513,381	2,479,789	1,637,751	1,639,618	1,690,576	1,517,324	920,048
Unrestricted	6,831,206	6,545,033	6,467,537	5,873,732	6,762,586	6,090,984	6,508,540
Total Business-Type Activities Net Assets	37,849,021	37,245,601	36,765,768	35,285,075	33,428,896	32,064,675	30,494,426
Primary Government:							
Invested in Capital Assets, Net of Related Debt	65,155,375	63,998,703	62,744,605	63,514,973	41,333,080	38,181,256	32,683,721
Restricted	3,731,512	3,735,274	2,956,422	2,923,399	2,964,115	2,977,300	2,975,188
Unrestricted	21,036,284	20,386,149	20,402,580	17,117,207	16,635,261	15,073,857	16,440,812
Total Primary Government Net Assets	\$ 89,923,171	\$ 88,120,126	\$ 86,103,607	\$ 83,555,579	\$ 60,932,456	\$ 56,232,413	\$ 52,099,721

(1) The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, seven years of government-wide data is presented.

TABLE 2

CITY OF NORFOLK, NEBRASKA
CHANGE IN NET ASSETS
LAST SEVEN FISCAL YEARS (1)
 (accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental Activities							
General Government	\$ 2,363,397	\$ 1,984,006	\$ 2,062,088	\$ 3,263,794	\$ 1,635,190	\$ 1,432,865	\$ 2,689,308
Public Safety	7,841,533	7,638,269	7,663,541	7,408,066	7,113,536	6,916,478	4,915,213
Public Works	5,664,242	4,513,410	4,162,060	3,202,666	2,535,262	3,116,384	2,726,421
Public Library	1,173,863	1,123,880	1,051,044	1,043,951	1,047,321	970,290	893,569
Parks, Recreation and Public Property	1,604,612	1,383,166	1,283,585	1,233,518	1,246,438	1,148,436	647,235
Community Improvement & Development	999,898	543,549	1,133,491	1,213,623	779,952	928,781	789,323
Debt Service	272,480	296,199	258,179	265,219	258,982	275,672	426,984
Total Governmental Activities Expenses	19,920,025	17,482,479	17,613,988	17,630,837	14,616,681	14,788,906	13,088,053
Business-Type Activities							
Water Division	1,877,440	1,925,737	1,856,242	1,870,805	1,730,215	1,650,534	1,591,668
Sewer Division	2,529,041	2,691,318	2,627,136	2,443,955	2,524,819	2,591,885	2,584,926
Solid Waste Division	1,579,945	1,672,295	1,666,120	1,717,494	1,733,917	1,757,442	1,776,126
Total Business-Type Activities	5,986,426	6,289,350	6,149,498	6,032,254	5,988,951	5,999,861	5,952,720
Total Primary Government Expenses	\$ 25,906,451	\$ 23,771,829	\$ 23,763,486	\$ 23,663,091	\$ 20,605,632	\$ 20,788,767	\$ 19,040,773
Program Revenues							
Governmental Activities:							
Charges for Services							
General Government	\$ 431,612	\$ 366,850	\$ 368,626	391,281	\$ 377,825	\$ 328,275	\$ 1,655,517
Public Safety	991,781	1,149,353	906,560	944,002	964,306	826,082	586,988
Public Works	132,948	125,042	80,856	93,846	77,702	82,029	114,294
Public Library	25,588	28,091	28,220	29,686	32,046	31,571	-
Parks, Recreation and Public Property	145,293	149,314	146,157	158,053	138,722	114,954	126,755
Community Improvement and Development	84,000	61,000	66,000	66,000	66,000	-	-
Operating Grants & Contributions	2,849,515	2,805,130	3,031,310	3,496,950	2,821,686	2,474,845	2,527,492
Capital Grants & Contributions	1,942,912	757,509	864,556	378,175	1,832,950	1,863,073	448,150
Total Governmental Activities Program Revenues	6,603,649	5,442,289	5,492,285	5,557,993	6,311,237	5,720,829	5,459,196
Business-Type Activities:							
Charges for Services:							
Water Division	2,210,112	2,243,427	2,559,572	2,495,101	2,426,990	2,678,424	2,667,740
Sewer Division	2,343,513	2,320,624	2,457,164	2,523,573	2,486,428	2,493,485	2,468,167
Solid Waste	1,699,431	1,742,372	1,811,596	1,737,503	1,750,821	1,857,459	1,890,923
Capital Grants & Contributions	144,210	175,807	403,630	791,145	493,256	438,990	-
Total Business-Type Activities Program Revenues	6,397,266	6,482,230	7,231,962	7,547,322	7,157,495	7,468,358	7,026,830
Total Primary Government Program Revenues	\$ 13,000,915	\$ 11,924,519	\$ 12,724,247	\$ 13,105,315	\$ 13,468,732	\$ 13,189,187	\$ 12,486,026
Net (Expense)/Revenue							
Governmental Activities	\$ (13,316,376)	\$ (12,040,190)	\$ (12,121,703)	\$ (12,072,843)	\$ (8,305,444)	\$ (9,068,077)	\$ (7,628,857)
Business-Type Activities	410,840	192,880	1,082,464	1,515,068	1,168,544	1,468,497	1,074,110
Total Primary Government Net Expense	\$ (12,905,536)	\$ (11,847,310)	\$ (11,039,239)	\$ (10,557,775)	\$ (7,136,900)	\$ (7,599,580)	\$ (6,554,747)

(Continued)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes In Net Assets							
Governmental Activities:							
Taxes:							
Property Tax	\$ 1,944,230	\$ 1,694,912	\$ 1,625,182	\$ 1,392,282	\$ 893,417	\$ 899,918	\$ 1,913,198
Sales Tax	6,760,144	6,750,098	6,427,716	6,548,082	6,593,166	6,445,480	-
Other Taxes	199,591	199,225	191,073	209,536	184,404	175,420	5,799,684
Occupation and Franchise Taxes	873,472	883,195	787,763	618,984	589,118	606,176	564,514
Interest	251,126	430,171	561,205	461,182	325,101	212,803	301,965
General Intergovernmental Revenues Unrestricted	260,190	282,997	248,438	242,041	224,482	503,560	955,569
Unrestricted Keno Revenues	428,302	29,141	-	-	-	-	-
Use of Property	3,418,900	3,270,414	3,209,969	3,170,236	2,723,425	2,622,930	2,618,532
Revenue from Sale of Uncapitalized Property	44,059	9,985	77,072	83,761	-	-	-
Gain on Sale of Assets	-	8,170	27,532.00	-	43,800	133,757	99,611
Miscellaneous	363,181	47,709	33,088	68,035	64,353	30,476	109,628
Interfund Transfers	(27,194)	-	-	-	-	-	-
Total Governmental Activities	\$ 14,516,001	\$ 13,606,017	\$ 13,189,038	\$ 12,794,139	\$ 11,641,266	\$ 11,630,520	\$ 12,362,701
Business Type of Activities:							
Interest	165,386	286,953	398,229	332,022	190,177	101,752	135,670
Gain on Sale of Assets	-	-	-	9,089	5,500	-	(7,051)
Contributed Capital Revenue	-	-	-	-	-	-	74,044
Interfund Transfers	27,194	-	-	-	-	-	-
Total Business-Type Activities	192,580	286,953	398,229	341,111	195,677	101,752	202,663
Total Primary Government	\$ 14,708,581	\$ 13,892,970	\$ 13,587,267	\$ 13,135,250	\$ 11,836,943	\$ 11,732,272	\$ 12,565,364
Change in Net Assets							
Governmental Activities	\$ 1,199,625	\$ 1,565,827	\$ 1,067,335	\$ 721,295	\$ 3,335,822	\$ 2,562,443	\$ 4,733,844
Business-Type Activities	603,420	479,833	1,480,693	1,856,179	1,364,221	1,570,249	1,276,773
Total Primary Government	\$ 1,803,045	\$ 2,045,660	\$ 2,548,028	\$ 2,577,474	\$ 4,700,043	\$ 4,132,692	\$ 6,010,617

(1) The City Implemented GASB Statement No. 34 in fiscal year 2003, therefore, seven years of government-wide data is presented.

City of Norfolk, Nebraska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

TABLE 3

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Reserved	\$ 132,221	\$ 225,910	\$ 177,324	\$ 95,529	\$ 118,407
Unreserved	5,568,550	5,322,046	5,122,971	4,725,445	4,506,250
Total General Fund	<u>5,700,771</u>	<u>5,547,956</u>	<u>5,300,295</u>	<u>4,820,974</u>	<u>4,624,657</u>
All Other Governmental Funds					
Reserved	1,609,878	2,107,669	1,451,727	1,541,024	2,376,709
Unreserved, Reported in:					
Special Revenue Funds	3,400,398	3,521,157	4,251,381	3,222,836	1,838,962
Capital Project Funds	540,066	(1,591,264)	(951,132)	(480,858)	(237,724)
Total All Other Governmental Funds	<u>\$ 5,550,342</u>	<u>\$ 4,037,562</u>	<u>\$ 4,751,976</u>	<u>\$ 4,283,002</u>	<u>\$ 3,977,947</u>

Fiscal Year				
2004	2003	2002	2001	2000
\$ 176,929	\$ 208,963	\$ 242,598	\$ 138,568	\$ 51,194
4,364,021	4,813,484	4,394,939	4,318,369	4,350,625
<u>4,540,950</u>	<u>5,022,447</u>	<u>4,637,537</u>	<u>4,456,937</u>	<u>4,401,819</u>
3,200,208	1,772,362	2,130,580	3,078,441	2,714,316
730,183	2,340,454	1,751,170	2,003,607	3,494,434
(411,948)	266,917	(171,012)	277,371	(846,865)
<u>\$ 3,518,443</u>	<u>\$ 4,379,733</u>	<u>\$ 3,710,738</u>	<u>\$ 5,359,419</u>	<u>\$ 5,361,885</u>

City of Norfolk, Nebraska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

TABLE 4

	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues					
Taxes	\$ 9,027,255	\$ 8,765,893	\$ 8,299,868	\$ 8,089,424	\$ 7,640,946
Special Assessments	685,607	82,426	238,417	170,769	539,200
Licenses & Permits	323,800	430,258	305,364	347,386	369,424
Intergovernmental Revenue	3,805,003	3,743,612	4,036,117	3,878,013	4,439,050
Keno Revenue	428,302	29,141			
Charges for Services	1,374,689	1,358,621	1,195,069	1,236,475	1,184,021
Occupation & Franchise Taxes	667,778	686,840	666,704	618,984	589,118
Contributions	81,360	100,005	-	-	3,154
Payments in Lieu of Taxes	82,402	74,697	65,162	60,477	30,851
Parking Fees and Rentals	3,422,615	3,272,094	3,211,734	3,173,556	2,728,535
Loan Repayments	120,700	289,700	103,469	131,383	24,778
Interest	186,036	338,732	432,788	364,385	272,344
Miscellaneous	434,854	112,561	177,839	227,609	163,005
Total Revenue	20,640,401	19,284,580	18,732,531	18,298,461	17,984,426
Expenditures					
General Government	2,580,140	2,409,948	2,434,218	2,348,104	1,761,517
Public Safety	7,475,999	7,367,551	7,659,058	7,263,047	6,948,410
Public Works	5,585,140	4,789,513	3,127,771	3,209,134	4,250,718
Public Library	1,139,770	1,097,450	1,039,277	1,014,735	1,006,569
Parks, Recreation & Public Property	1,828,716	1,392,253	1,193,539	1,126,493	1,237,366
Other	-	-	-	-	-
Community Improvement & Developer	976,102	805,175	1,156,157	1,430,551	874,048
Debt Service					
Principal Retirement	773,690	755,714	708,691	840,952	770,000
Interest	275,001	304,002	258,047	268,402	268,360
Capital Outlay	370,248	829,727	587,478	295,671	954,227
Total Expenditure	21,004,806	19,751,333	18,164,236	17,797,089	18,071,215
Excess (Deficiency) of Revenues over expenditures	(364,405)	(466,753)	568,295	501,372	(86,789)
Other Financing Sources (Uses)					
Proceeds from Debt Financing	2,030,000	-	380,000	-	630,000
Transfers In	1,840,990	1,237,142	980,558	900,999	1,569,494
Transfers Out	(1,840,990)	(1,237,142)	(980,558)	(900,999)	(1,569,494)
Total Other Financing Sources (Uses)	2,030,000	-	380,000	-	630,000
Net Change in Fund Balances	\$ 1,665,595	\$ (466,753)	\$ 948,295	\$ 501,372	\$ 543,211
Debt Service as a Percentage of Noncapital Expenditures	5.59%	6.36%	5.90%	6.34%	6.07%

Note: 1) GASB 34 partially implemented.

Fiscal Year				
2004	2003 (1)	2002	2001	2000
\$ 7,487,814	\$ 7,589,570	\$ 6,033,614	\$ 5,802,075	\$ 5,815,235
268,341	746,591	392,419	335,094	333,570
313,124	216,378	203,729	170,654	204,687
4,760,706	3,046,905	2,788,094	2,618,408	2,449,533
1,033,465	1,141,526	1,016,392	997,934	782,132
606,176	564,514	559,751	698,436	554,938
5,451	725	-	-	-
33,004	102,337	92,733	96,133	90,895
2,627,681	2,621,812	2,568,571	2,369,580	2,214,380
28,124	57,830	-	-	-
189,878	276,096	438,990	608,137	473,380
238,154	448,681	456,502	689,630	335,883
<u>17,591,918</u>	<u>16,812,965</u>	<u>14,550,795</u>	<u>14,386,081</u>	<u>13,254,633</u>
1,644,901	1,502,019	1,443,918	1,419,730	1,335,189
7,124,232	5,605,110	4,955,052	4,774,034	4,458,705
4,832,602	2,017,880	1,876,188	1,836,078	1,713,323
922,952	878,571	828,165	842,029	794,565
1,333,068	923,151	984,522	786,120	732,790
-	-	25,091	34,852	36,970
969,638	781,823	523,769	728,780	526,936
1,070,000	3,975,000	1,875,000	2,250,000	725,000
280,456	416,192	413,729	486,784	470,362
1,901,354	3,034,314	3,938,442	3,240,022	2,238,358
<u>20,079,203</u>	<u>19,134,060</u>	<u>16,863,876</u>	<u>16,398,429</u>	<u>13,032,198</u>
<u>(2,487,285)</u>	<u>(2,321,095)</u>	<u>(2,313,081)</u>	<u>(2,012,348)</u>	<u>222,435</u>
1,145,000	3,375,000	845,000	2,065,000	250,000
1,413,988	905,702	-	-	-
<u>(1,413,988)</u>	<u>(905,702)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,145,000</u>	<u>3,375,000</u>	<u>845,000</u>	<u>2,065,000</u>	<u>250,000</u>
<u>\$ (1,342,285)</u>	<u>\$ 1,053,905</u>	<u>\$ (1,468,081)</u>	<u>\$ 52,652</u>	<u>\$ 472,435</u>
7.43%	27.27%	17.71%	20.80%	11.07%

CITY OF NORFOLK, NEBRASKA
TOTAL CITY TAXABLE SALES
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year Ended September 30,	Total City Taxable Sales	Total Direct Tax Rate
2009	\$ 448,552,315	1.50%
2008	445,836,912	1.50%
2007	422,052,129	1.50%
2006	433,872,362	1.50%
2005	438,658,575	1.50%
2004	426,759,409	1.50%
2003	403,345,119	1.50%
2002	417,833,011	1.00%
2001	395,366,811	1.00%
2000	402,247,968	1.00%

Source: City of Norfolk Finance Office

CITY OF NORFOLK, NEBRASKA
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	<u>Direct</u>	<u>Overlapping (1)</u>	Total Tax Rate
	City of Norfolk	State of Nebraska	
2009	1.50%	5.50%	7.00%
2008	1.50%	5.50%	7.00%
2007	1.50%	5.50%	7.00%
2006	1.50%	5.50%	7.00%
2005	1.50%	5.50%	7.00%
2004	1.50%	5.50%	7.00%
2003 (2)	1.50%	5.50%	7.00%
2002	1.00%	5.00%	6.00%
2001	1.00%	5.00%	6.00%
2000	1.00%	5.00%	6.00%

Note: (1) Overlapping rates are those of other governments that apply to consumers within the City of Norfolk.
(2) January 1, 2003 tax rate in the City of Norfolk changed from 1% to 1.5%.

CITY OF NORFOLK, NEBRASKA
NET TAXABLE SALES BY BUSINESS CLASSIFICATION
CURRENT YEAR

TABLE 7

Business Classifications	2008		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 260,141,315	1	54.31%
Utilities	46,606,058	2	9.73
Accommodation & Food Services	42,550,421	3	8.89
Other	129,695,605	-	27.07
Total	\$ 478,993,399		100.00%

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. 2009 amounts are not yet available. Numbers are not available for nine years ago.

Source: Nebraska Dept of Revenue

City of Norfolk, Nebraska
 Assessed and Estimated Actual Value of Taxable Property (1)
 Last Ten Fiscal Year

TABLE 8

FISCAL YEAR (2)	REAL PROPERTY	PERSONAL PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT TAX RATE
2000	\$ 704,155,892	\$ 47,608,774	\$ 751,764,666	0.3971
2001	761,879,454	49,135,191	811,014,645	0.5071
2002	814,745,494	48,227,531	862,973,025	0.4896
2003	839,734,268	46,447,770	886,182,038	0.4931
2004	887,188,956	38,193,403	925,382,359	0.3660
2005	978,737,063	30,215,824	1,008,952,887	0.4419
2006	1,011,187,900	41,021,639	1,052,209,539	0.4605
2007	1,053,427,738	42,317,597	1,095,745,335	0.4628
2008	1,097,676,042	44,580,420	1,142,256,462	0.4830
2009	1,126,872,958	53,212,793	1,180,085,751	0.5466

(1) TAXABLE PROPERTY IS ASSESSED AT 100% OF ITS ESTIMATED ACTUAL VALUE.

(2) THE ASSESSED VALUATIONS ARE EFFECTIVE ON SEPTEMBER 1 OF EACH YEAR.

SOURCE: MADISON COUNTY ASSESSOR'S OFFICE

City of Norfolk, Nebraska
Property Tax Rates-Direct and Overlapping Governments (1)
Last Ten Fiscal Years

TABLE 9

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
CITY OF NORFOLK										
GENERAL FUND	0.1345	0.0689	0.0460	0.0433	0.0251	0.0286	0.0900	0.0958	0.1033	0.1142
DEBT SERVICE	0.0620	0.0641	0.0668	0.0696	0.0726	0.0191	0.0818	0.087	0.0939	0.0914
VEHICLE PARKING FUND(3)	0.3500	0.3500	0.3500	0.3476	0.3442	0.3183	0.3213	0.3068	0.3099	0.1915
TOTAL CITY OF NORFOLK	<u>0.5466</u>	<u>0.4830</u>	<u>0.4628</u>	<u>0.4605</u>	<u>0.4419</u>	<u>0.3660</u>	<u>0.4931</u>	<u>0.4896</u>	<u>0.5071</u>	<u>0.3971</u>
OVERLAPPING RATES (2)										
MADISON COUNTY	0.3990	0.3872	0.4250	0.4049	0.4083	0.3905	0.3496	0.3097	0.3200	0.3830
SCHOOL DISTRICT NO 2	1.3062	1.2230	1.2336	1.2112	1.2176	1.1377	1.1026	1.1293	1.1606	1.1607
NORTHEAST COMMUNITY COLLEGE	0.0935	0.0900	0.0823	0.0904	0.0896	0.0811	0.0700	0.0685	0.0351	0.0423
NORFOLK AIRPORT AUTHORITY	0.0228	0.0236	0.0236	0.0236	0.0447	0.0487	0.0554	0.0393	0.0404	0.0390
LOWER ELKHORN NRD	0.0341	0.0339	0.0356	0.0354	0.0369	0.0348	0.0370	0.0382	0.0392	0.0280
AGRICULTURAL SOCIETY MADISON COUNTY	0.0144	0.0147	0.0155	0.0158	0.0168	0.0185	0.0186	0.0190	0.0188	0.0195
EDUCATIONAL SERVICES UNIT #8	0.0149	0.0150	0.0150	0.0149	0.0149	0.0150	0.0150	0.0150	0.0159	0.0164
NORFOLK SANITARY DISTRICT	0.0087	0.0066	0.0067	0.0067	0.0068	0.0070	0.0072	0.0071	0.0075	0.0074
RAILROAD TRANSPORTATION SAFETY DIST.	0.0039	0.0040	0.0041	0.0046	0.0046	0.0000	0.0000	0.0000	0.0000	0.0000
TOTAL OVERLAPPING RATES	<u>1.8975</u>	<u>1.7980</u>	<u>1.8414</u>	<u>1.8075</u>	<u>1.8402</u>	<u>1.7333</u>	<u>1.6554</u>	<u>1.6261</u>	<u>1.6375</u>	<u>1.6963</u>
TOTAL PROPERTY TAXES	2.4441	2.2810	2.3042	2.2680	2.2821	2.0993	2.1485	2.1157	2.1446	2.0934

(1) TAX RATES ARE PER \$100 OF ASSESSED VALUATION, AND EFFECTIVE ON SEPTEMBER 1 OF EACH YEAR

(2) OVERLAPPING RATES ARE THOSE OF LOCAL AND COUNTY GOVERNMENTS THAT APPLY TO PROPERTY OWNERS WITHIN THE CITY OF NORFOLK NE.

(3) TAX APPLIES TO PROPERTY IN VEHICLE PARKING DISTRICT IN DOWNTOWN NORFOLK NEBRASKA. DISTRICT ASSESSED VALUATION IS ABOUT 2% OF THE CITY ASSESSED VALUATION.

City of Norfolk, Nebraska
 PRINCIPAL PROPERTY TAXPAPERS
 CURRENT YEAR AND NINE YEARS AGO

TABLE 10

TAXPAYERS	TYPE OF BUSINESS	2009			2000		
		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE
DIAL - SUNSET MALL LLC	SHOPPING MALL	\$ 13,820,783	1	1.17%	\$ 9,659,000	2	1.28%
WAL-MART STORES INC	RETAIL STORE	10,180,058	2	0.86%	8,569,192	4	1.14%
HEARTLAND PANTRY INC (HY-VEE)	RETAIL STORE	9,580,200	3	0.81%	3,157,879	9	0.42%
FAITH REGIONAL HEALTH SERVICES	MEDICAL OFFICES	9,276,547	3	0.79%	-	-	0.00%
WIS-PAK	BOTTLINGS DISTRIBUTION	7,210,760	5	0.61%	8,905,662	3	1.18%
HERITAGE OF NORFOLK INC	NURSING HOME	6,298,274	6	0.53%	-	-	0.00%
MENARD INC.	RETAIL STORE	5,990,081	7	0.51%	4,373,536	5	0.58%
QWEST CORPORATION	PHONE COMPANY	5,533,878	8	0.47%	10,029,493	1	1.33%
BLACK HILLS NEBR GAS (AQUILA)	UTILITY	5,465,218	9	0.46%	-	-	0.00%
PERKINS DELAWARE	MANUFACTURING	5,266,340	10	0.45%	-	-	0.00%
DAYTON HUDSON CORP	RETAIL STORE	-	-	0.00%	3,575,000	7	0.48%
THE MEADOWS, INC	APARTMENTS	-	-	0.00%	3,489,000	8	0.46%
DOUGLAS W. & TWYLIA J SPEIDEL	RETAIL STORE	-	-	0.00%	2,850,059	10	0.38%
PEOPLES NATURAL GAS CO.	GAS COMPANY	-	-	0.00%	3,956,995	6	0.53%
TOTAL		\$ 78,622,139		6.66%	\$ 58,565,816		7.79%

Source: MADISON COUNTY ASSESSOR'S OFFICE

CITY OF NORFOLK, NEBRASKA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year Ended Sep 30	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 2,007,615	\$ 1,942,716	96.77%	\$ 16,699	\$ 1,959,415	97.60%
2008	1,452,047	1,393,985	96.00%	23,525	1,417,510	97.62%
2007	1,209,703	1,157,720	95.70%	46,640	1,204,360	99.56%
2006	1,191,035	1,157,199	97.16%	33,326	1,190,525	99.96%
2005	887,921	858,870	96.73%	28,918	887,788	99.99%
2004	469,305	449,282	95.73%	20,034	469,316	100.00%
2003	1,508,392	1,447,125	95.94%	61,093	1,508,218	99.99%
2002	1,501,784	1,424,153	94.83%	77,274	1,501,427	99.98%
2001	1,475,143	1,399,480	94.87%	75,414	1,474,894	99.98%
2000	1,494,870	1,427,285	95.48%	67,117	1,494,402	99.97%

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CITY OF NORFOLK, NEBRASKA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	BOND ANTICIPATION NOTES	NOTES PAYABLE
2009	\$ 3,720,000	\$ 2,405,000	\$ 340,000	\$ 130,954
2008	3,895,000	935,000	2,335,000	169,644
2007	4,365,000	1,185,000	2,320,000	205,358
2006	4,410,000	1,430,000	755,000	244,048
2005	4,805,000	1,870,000	495,000	-
2004	5,200,000	1,615,000	385,000	-
2003	4,415,000	2,395,000	665,000	-
2002	4,615,000	2,795,000	-	-
2001	5,065,000	3,380,000	-	-
2000	5,465,000	3,165,000	-	-
1999	5,335,000	2,650,000	500,000	-

Notes:(1)See Table 16 for income and population data. 2009 population and 2009 and 2008 personal income numbers are unavailable.

TABLE 12

BUSINESS-TYPE ACTIVITIES					
REVENUE	STATE		TOTAL		PERCENTAGE
BONDS	REVOLVING	CAPITAL	PRIMARY	DEBT PER	OF PERSONAL
	LOAN	LEASES	GOVERNMENT	CAPITA (1)	INCOME (1)
\$ 6,820,000	\$ 940,690	-	14,356,644	-	N/A
7,510,000	1,050,980	-	15,895,624	692.92	N/A
8,175,000	1,158,035	-	17,408,393	752.11	1.60
8,825,000	1,261,949	-	16,925,997	709.24	1.65
9,455,000	1,362,814	-	17,987,814	750.49	1.78
10,075,000	1,460,720	-	18,735,720	780.43	1.91
10,610,000	1,555,754	-	19,640,754	812.17	2.04
1,230,000	9,101,839	-	17,741,839	743.67	1.98
1,300,000	9,558,958	-	19,303,958	820.89	2.18
1,370,000	9,864,579	-	19,864,579	809.15	2.39
1,495,000	8,869,658	-	18,849,658	776.19	2.38

CITY OF NORFOLK, NEBRASKA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 13

FISCAL YEAR	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	BOND ANTICIPATION NOTES	GENERAL BONDED DEBT	BONDED DEBT PER CAPITA	VALUATION OF TAXABLE REAL PROPERTY
2009	\$ 3,720,000	\$ 2,405,000	\$ 340,000	\$ 6,465,000	281.82	0.57%
2008	3,895,000	935,000	2,335,000	7,165,000	299.84	0.68%
2007	4,365,000	1,185,000	2,320,000	7,870,000	329.34	0.78%
2006	4,410,000	1,430,000	755,000	6,595,000	274.69	0.67%
2005	4,805,000	1,870,000	495,000	7,170,000	297.86	0.81%
2004	5,200,000	1,615,000	385,000	7,200,000	299.24	0.86%
2003	4,415,000	2,395,000	665,000	7,475,000	309.10	0.92%
2002	4,615,000	2,795,000	-	7,410,000	310.60	0.97%
2001	5,065,000	3,380,000	-	8,445,000	359.12	1.20%
2000	5,465,000	3,165,000	-	8,630,000	351.53	1.28%

CITY OF NORFOLK, NEBRASKA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF SEPTEMBER 30, 2009

TABLE 14

GOVERNMENTAL UNITS	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	DIRECT AND OVERLAPPING DEBT TO THE CITY
DIRECT:			
CITY	\$ 3,103,325	100.00%	\$ 3,103,325
OVERLAPPING:			
Norfolk School District #2	\$ 26,190,000	48.48%	\$ 12,696,196

SOURCE: NORFOLK PUBLIC SCHOOLS

CITY OF NORFOLK, NEBRASKA
PLEDGED REVENUE COVERAGE
ENTERPRISE BONDS
LAST TEN FISCAL YEARS

TABLE 15

	GROSS REVENUE (1)	DIRECT OPERATING EXPENSES (2)	NET AVAILABLE REVENUE	DEBT SERVICE REQUIRMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2009	\$ 6,399,522	\$ 4,460,849	\$ 1,938,673	\$800,290	\$312,397	\$1,112,687	1.74
2008	6,552,688	4,685,259	1,867,429	772,055	336,859	1,108,914	1.68
2007	7,210,696	4,627,357	2,583,339	753,914	358,648	1,112,562	2.32
2006	7,098,657	4,483,310	2,615,347	730,863	377,722	1,108,585	2.36
2005	6,867,780	4,406,612	2,461,168	717,906	399,002	1,116,908	2.20
2004	7,131,120	4,277,024	2,854,096	630,034	371,009	1,001,043	2.85
2003	7,162,500	4,351,795	2,810,705	356,818	243,136	599,954	4.68
2002	6,914,608	4,453,548	2,461,060	527,120	435,422	962,542	2.56
2001	6,360,839	4,250,164	2,110,675	511,826	462,238	974,064	2.17
2000	6,180,357	3,946,387	2,233,970	463,392	431,251	894,643	2.50

1) TOTAL OPERATING REVENUE PLUS INTEREST INCOME

2) TOTAL OPERATING EXPENSES EXCLUSIVE OF DEPRECIATION AND AMORTIZATION

CITY OF NORFOLK, NEBRASKA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 16

Fiscal Year	Population(1)	Personal Income (2) (000's)	Per Capita Personal Income(2)	Public School Enrollment(3)	Unemployment Rate(4)
2009	N/A	N/A	N/A	3,871	4.2%
2008	22,940	N/A	N/A	3,821	3.0%
2007	23,146	1,086,430	31,916	3,803	2.7%
2006	23,865	1,027,160	29,407	3,941	3.5%
2005	23,968	1,008,728	28,238	3,902	3.6%
2004	24,007	980,744	28,472	3,997	3.2%
2003	24,183	961,406	26,420	4,121	3.7%
2002	23,857	911,406	24,614	4,166	3.3%
2001	23,516	883,961	24,725	4,221	3.1%
2000	24,550	831,896	24,419	4,138	3.0%

Sources: (1) These figures are estimates compiled from the most recent data available from the Bureau of Census and the NE Dept of Labor. 2009 numbers are unavailable
(2) State of Nebraska, NE Dept of Economic Development. 2009 and 2008 numbers are unavailable for Personal Income and for Per Capita Personal Income. Numbers are shown for Madison County.
(3) Norfolk Public Schools K-12
(4) State of Nebraska, NE Dept of Labor

CITY OF NORFOLK, NEBRASKA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 17

EMPLOYER	2009			2000		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Faith Regional Health Services	1,285	1	6.32%	1,000	2	4.20%
Norfolk Public Schools	665	2	3.27%	501	7	2.11%
Affiliated Foods Midwest	650	3	3.20%	561	5	2.36%
COVIDIEN	500	4	2.46%			
Wal-Mart	435	5	2.14%			
Nucor Steel Div. of Nucor Corp	404	6	1.99%	492	8	2.07%
Vulcraft Division of Nucor Corp	400	7	1.97%	355	10	1.49%
Veyance Technologies	399	8	1.96%			
Northeast Community College	300	9	1.48%			
Norfolk Iron & Metal Co	236	10	1.16%			
Beef America				1,239	1	5.21%
Dale Electronics				777	3	3.26%
IBP				645	4	2.71%
Sherwood Medical Industries				520	6	2.18%
Goodyear Tire & Rubber				385	9	1.62%
Total	5,274		25.93%	6,475		27.21%

Source: Norfolk Area Chamber of Commerce

CITY OF NORFOLK, NEBRASKA

TABLE 18

Full-Time Equivalent City Governmental Employees by Function
Last Ten Fiscal Years

Full-Time Equivalent City Government Employees by Function as of September 30										
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government	23.55	24.60	24.80	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Engineering	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety										
Police	60.00	60.50	60.50	65.50	65.50	64.50	59.23	58.23	57.63	56.13
Fire	38.00	37.00	37.00	38.00	38.00	38.00	32.00	32.00	32.25	32.25
Region 11	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
SNARE	0.50	0.50	0.50	0.63	0.50	0.50	0.00	0.00	0.00	0.00
Streets	22.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Culture & Recreation										
Parks	22.00	18.00	18.00	18.00	18.00	17.00	17.00	17.00	17.00	15.00
Recreation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Auditorium	2.43	2.43	1.68	1.68	1.68	1.68	1.00	1.00	0.00	0.00
Library	14.97	14.96	15.69	16.69	15.80	15.80	15.80	15.80	16.30	16.30
Housing	5.75	5.63	5.73	5.73	5.73	5.73	5.73	5.73	5.73	5.38
Vehicle Parking Monitor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.63
Community Character Development Coalition	5.00	4.88	4.88	0.00	4.50	3.03	2.15	0.00	0.00	0.00
Water	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00
Sewer Maintenance	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Water Pollution Control	13.50	13.50	13.50	13.50	13.50	13.50	13.25	13.25	13.25	13.50
Solid Waste Management	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Total	236.45	232.75	233.01	236.46	238.95	235.48	221.90	218.75	218.53	214.68

Source: City of Norfolk Finance

CITY OF NORFOLK, NEBRASKA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 19

FUNCTION	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
Purchase Ordered Processed	1,773	1,887	2,025	2,100	2,537	2,845	2,893	2,830	4,471	4,719
Water/Sewer Customers Billed	9,276	9,118	9,049	9,000	8,850	8,910	8,750	8,545	8,705	8,550
Engineering										
Miles of Paving Districts	0.51	0.20	1.20	1.10	0.80	0.90	0.90	0.90	1.30	0.60
Miles of Street Reconstruction	0.35	0.50	1.20	1.00	1.50	0.80	0.80	1.00	1.00	0.50
Public Safety										
Police:										
Criminal Arrests	1,932	1,679	1,858	2,500	2,738	2,303	2,150	2,395	1,908	1,966
Traffic Arrests	2,348	2,514	2,480	3,550	3,718	3,688	3,474	3,558	3,111	3,163
Drug/Alcohol Arrests	715	782	817	1,200	1,065	1,376	869	862	685	595
Fire:										
Rescue Calls	1,714	1,744	1,682	1,715	1,925	1,657	1,432	1,857	1,685	1,694
Building and Safety										
Building Permits	382	392	412	549	575	497	478	471	447	518
Culture and Recreation										
Library										
Total Circulation	338,308	314,489	318,284	334,736	333,602	339,374	329,462	336,562	266,787	246,905
Water:										
Water Inspections	39	40	39	62	47	45	49	40	37	50
Locates	2,406	2,589	2,928	2,708	2,502	2,583	2,257	2,474	2,325	2,850
Sewer:										
Water Pollution Control										
Billion of Gallons treated	1.017	1.105	1.127	1.000	1.265	1.254	1.278	1.368	1.380	1.160
Sewer Maintenance										
Sewer Inspections	22	37	22	46	39	38	23	23	31	47
Solid Waste Management										
Average Daily Tonnage	110	116	117	117	121	128	129	130	122	120

Sources: Various City Departments

CITY OF NORFOLK, NEBRASKA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 20

FUNCTION	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
City Auditorium (1)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Council Chambers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Safety										
Police Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Streets										
Streets (Miles)	143.88	142.30	142.30	137.26	135.90	135.90	135.84	134.50	134.30	133.19
Streetlights	2,236	2,237	2,266	2,246	2,204	2,192	2,162	2,153	2,137	2,125
Parks										
Parks Acreage	396.00	378.00	364.00	364.00	364.00	364.00	335.00	335.00	335.00	335.00
Parks #	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Swimming Pools	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tennis Courts	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water										
Water mains (miles)	121.00	120.00	120.00	145.00	142.00	141.00	140.00	139.00	149.00	134.50
Water treatment plants	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sewer										
Sanitary sewer (miles)	126.00	125.00	125.00	155.00	153.00	152.00	150.00	149.00	127.00	116.00
Sewage treatment plants	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

(1) Included Administrative offices and Engineering Offices

Sources: Various City Departments