

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
of the  
**CITY OF NORFOLK, NEBRASKA**



for the year ended  
**SEPTEMBER 30, 2019**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

of the

**CITY  
OF  
NORFOLK  
NEBRASKA**

for the year ended

**September 30, 2019**

# **CITY OF NORFOLK, NEBRASKA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*for the  
fiscal year  
ended  
September 30, 2019*

Prepared by:  
The Finance Division

CITY OF NORFOLK, NEBRASKA

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# INTRODUCTORY SECTION

March 27, 2020

**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, 2019 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, 2019.

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 Hayes & Associates, L.L.C. 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, 2019, 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 unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019, 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.



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 and City of Norfolk Facilities Corporation).

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 \$1,500. Amounts over \$1,500 are approved by the City Administrator or the Mayor and City Council.

## LOCAL ECONOMY

Sales tax is the City's largest revenue source and continues to be an area of significant interest for the City. Other than a spike in sales tax after the June 2014 hail storm, the City's 1 ½ cent sales tax has had little growth since the fiscal year ended September 30, 2000, right around the time internet sales started to significantly increase. This is starting to change with the decision by the U.S. Supreme Court to overturn the long standing law on collection of sales tax on internet sales. The law was that states could not require retailers to collect sales taxes unless they had a physical presence in the same state as where the buyer is located as decided in *Quill Corp. v. North Dakota*. The U.S. Supreme Court overturned this decision in the *South Dakota v. Wayfair, Inc.* case. The U.S. Supreme Court ruled that states can require internet retailers to collect sales taxes, even if the merchant doesn't have a physical presence there. The Nebraska Legislature passed LB 284 requiring internet retailers to collect and remit sales tax. This became effective April 1, 2019. Also impacting sales tax is significant construction activity in Norfolk. In fiscal year 2017 the City's 1 ½ cent sales tax was up just 0.59% from the prior year. Fiscal years 2018 and 2019 had higher increases of 5.30% and 3.70%, respectively.

Norfolk continues to have low unemployment. Madison County's unemployment rate was 2.5% in December 2019, below the national average of 3.5%. Real estate values are increasing. For the sixth year in a row there is a significant increase in assessed valuation. Norfolk's 2019 assessed valuation increased 3.81% and the 2018 assessed valuation increased 8.11%, most of which was due to increased value of existing property.

ContiTech had announced in 2018 a \$9.3 million expansion of the rubber mixing operations at its industrial hose plant in Norfolk. Due to global economic conditions and a rise in construction costs, ContiTech decided not to move forward with their expansion. Partial funding had been committed from the State of Nebraska through the Nebraska Advantage Act, Community Development Block Grants, and Site and Building Development Fund, as well as the City committing \$180,000 from its LB 840 economic development program. The commitments have since been terminated. Even though ContiTech is not doing the planned expansion, they are investing in additional equipment and adding 30 jobs.

Faith Regional Health Services finished construction of a 109,000 square foot medical office building south of Norfolk Avenue next to Faith Regional's west campus. The new building is a multi-specialty physician center that allows Faith Regional to move forward with its strategic plan to organize key service lines, such as women's and children's orthopedics, surgery, and the Faith Regional Health Services surgery center, while accommodating current services and supporting future growth and expansion.

The Norfolk Family YMCA finished construction in May 2019 on an \$11 million expansion. The expansion is 106,000 square feet, more than doubling the existing size of 75,000 square feet. The new addition includes an indoor playground for children, additional office space, training area, cardio and weightlifting areas, a suspended running track and multi-use field house. Certain parts of the facility are open 24 hours a day, 7 days a week.

The Norfolk area is experiencing a housing shortage. A 2016 study, updated in December 2018, found that Norfolk needs 694 new housing units by 2023, including 406 owner and 288 rental housing units, to meet current demand and support future population growth. A housing task force was formed years ago to address the local housing shortage. The task force has discussed ideas to encourage speculative housing construction and the use of tax-increment financing to build streets, water, and sewer in the area. The City's Economic Development staff is also focusing on this issue, as it is difficult to recruit new businesses to the area if there is no supply of housing. Efforts are seen coming to fruition with the approval of a number of Redevelopment Contracts which provide for using tax increment financing for housing.

The City and Community Development Agency approved a Redevelopment Contract which provides for using tax increment financing for infrastructure development in the area located south of Benjamin Avenue and bordered by Meadow Ridge Development. The redeveloper is constructing single family attached and detached units for a total of 53 housing units. The Redevelopment Contract provides for a maximum of \$900,000 of tax increment financing bonds. \$450,000 of tax increment financing bonds were issued in February 2018 for Phase I of the project. Another Redevelopment Contract was approved for the Legacy Bend Housing Development in this same general area. Legacy Bend will utilize tax increment financing to develop the area located south and west of the Meadow Ridge housing development. Legacy Bend is an 7-phase project over multiple years consisting of approximately: 175 single family homes, 51 townhomes, and 224 living units in multiple dwelling units. Bonds for this project are expected to be issued soon.

A Redevelopment Agreement was approved for the construction of 18 single family residential homes comprised of 14 lakefront dwellings and 4 villas with associated improvements. The project area is south of the Elkhorn River and east of Highway 81. A maximum of \$1.6 million of tax increment financing bonds are authorized for this project. This agreement implements the first phase of the Medelmans Lake Redevelopment Plan which provides for construction of 188 single family homes in multiple phases.

A Redevelopment Agreement was approved which provides for Phase One construction of an apartment complex consisting of approximately 160 apartments in 20 apartment buildings with 8 apartments each. The development will include a club house, a pool, and eight garage structures. The project area is between Channel Road and Victory Road in southeast Norfolk. Phase Two is the construction of an approximately 10,000 square foot commercial building anticipated in 2020. Total cost of developing the project is approximately \$26 million. Tax increment financing bonds of \$3.7 million were issued in December 2019 for the project. Another Redevelopment Agreement was approved for apartments and other housing units for the Nor-Park Housing Development. The project consists of 2 apartment buildings with 28 units each, 5 triplex lots, 11 single family attached structures, and 28 single family detached homes for a total of 121 living units. This development is planned in 5 phases thru 2023. \$2,085,000 of tax increment financing bonds were issued in November 2019 for this project. A Redevelopment Contract was recently approved for 13 single-family homes just north of the Nor-Park Housing Development. The total estimated cost of the project is \$3.3 million and the Redevelopment Contract provides for up to \$418,874 of tax increment financing.

A Redevelopment Agreement was approved for rehabilitation of the Ballantyne Buildings downtown. A total of 27,800 square feet has been rehabilitated to commercial office space and two residential apartments. The Redevelopment Agreement provides for a maximum of \$143,290 of tax increment financing bonds.

A Redevelopment Agreement was approved for the Fountain Point North Redevelopment Project at the southwest corner of 37<sup>th</sup> Street and Highway 275. The project involves the construction of a 70-80,000 square foot medical office building and an 87 unit senior living facility with associated improvements. \$3,970,000 of tax increment financing bonds were issued in February 2019 for this project. Fountain Point has started on the next phase, which includes construction of a 15,000 square foot building to house an urgent care facility, imaging center, and daycare. This phase is expected to be completed by the fall of 2020.

A Redevelopment Contract was approved which provides for using tax increment financing for hotel construction southeast of 13<sup>th</sup> Street and Omaha Avenue with associated improvements. The Redevelopment Contract provides for a maximum of \$794,400 of tax increment financing bonds. Construction on the dual-brand hotel is expected soon. A Redevelopment Contract was approved for renovation of the former Shopko building into a car dealership. The Redevelopment Contract provides for up to \$828,350 of tax increment financing for the project.

The Greater Norfolk Economic Development Foundation, with the aid of the City, is creating a business park that is being designed to attract new and expanding businesses to Norfolk. The 140 acre parcel will be developed in multiple phases over several years to accommodate commercial and light industrial businesses.

The Meadows, a senior living facility, finished construction of a \$4.8 million expansion project that provides new options for therapy, memory care and updates to the existing facility. Construction included a new therapy center, and the addition of nine two-room assisted living suites that range from 500 to 700 square feet.

Midwest Bank is constructing a three-story, 45,000 square foot facility that will serve as its base of operations located at the southwest corner of Highway 275 and 25<sup>th</sup> Street. The facility will house administrative and corporate support, data specialists and loan processing. Approximately 140 people will work at this location consisting of new and existing employees. All satellite locations will remain in open. Elkhorn Valley Bank is constructing a four-story, 40,000 square foot main bank building and a smaller teller building just north of Midwest Bank. Construction is necessary because they outgrew their current facility. The teller building will be a drive-thru facility with no walk-in teller line or lobby.

Other economic indicators appear mainly favorable. Norfolk's population increased from an estimated 24,434 in 2017 to an estimated 24,651 in 2018. Madison County's unemployment rate increased .1% from 2.4% in December 2018 to 2.5% in December 2019. Public school enrollment increased from 4,446 in September 2018 to 4,573 in September 2019. The most recent assessed valuation, which was released August 20, 2019, shows taxable property in Norfolk valued at \$1,645,863,058, a 3.81% increase from the prior year.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

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, revenue and expenditure trends out ten years along with expected levy rates.

The City's maintenance level budget allows for 3% expenditure growth. The LTFP shows expenditures growing about 3% in most of the next ten years; however, the City's two largest revenue sources are projected to grow at a slower rate.

The City's largest revenue source is sales tax which is projected to grow at an annual rate of 2.5% in the LTFP based on past history. This is an increase from the prior LTFP that had an annual rate of 2.1%. The last couple years saw increases in sales tax due to increased construction activity and the decision by the U.S. Supreme Court to overturn the long standing law on collection of sales tax on internet sales. The City's 1 ½ cent sales tax increased 5.30% in the prior fiscal year and 3.70% in the current fiscal year.

The City's second largest revenue source is lease revenue from Nebraska Public Power District (NPPD) which pays 12% of system revenue to lease the City-owned electrical distribution system. NPPD is making a major effort to hold down rate increases and based on NPPD rate projections, the LTFP shows no growth in NPPD lease revenue through fiscal year 2023-2024 and 1% thereafter.

Slow growth in the City's two largest revenue sources, puts pressure on property tax which is the third largest general revenue source. The City's property tax levy rate for the 2018-2019 fiscal year increased 1.37% to fund debt service on flood control bonds issued to fund recertification that the flood control levee meets Federal Emergency Management Agency standards. The LTFP shows the City's property tax rate going from .255511 in 2018-2019 to .374160 in 2028-2029. In 2018-2019 the City's property tax levy rate is 3<sup>rd</sup> lowest of the 30 first class cities in Nebraska and would have moved to 11<sup>th</sup> lowest with the projected 2028-2029 levy rate.

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 CIP is prepared so that capital items do not exceed funding sources provided in the revenue and expenditure trends. The CIP can change from year to year as the revenue and expenditure trends change. The Council determines its top goals and works with City staff to develop strategies to achieve these goals. An action plan is created and specifics are incorporated into the budget to carry out the action plan. The City is also updating its water and sewer master plans. The water master plan will take about two years to complete and will provide information on whether the water lines are sized property to extend water to new areas, on whether the existing water treatment plant can handle current capacity and growth, and what the well field can supply for water. The sewer master plan is in its final stages and a wastewater rate study is being completed in conjunction with the master

plan. The study will determine sewer rate increases needed to fund forthcoming sewer projects based on the master plan.

One of the Mayor and Council goals from the last several years was completed with the 2019-2020 budget. The goal was to increase emergency cash reserves to the GFOA recommended practice of 16% of operating expenditures. The Mayor and Council have been increasing General Fund budgeted ending balance for the last several years. Due to a change in timing of NPPD lease payments, explained in the MD&A, and an increase in sales tax, General Fund budgeted ending balance is now at 16% of operating expenditures.

Economic development continues to be a priority of the Mayor and Council. Northeast water and sewer lines were recently installed to support industrial expansion and development in the area. An annexation study was completed to assess potential areas for possible annexation for new developments. A USDA grant of \$75,000 was awarded to establish a revolving loan fund to assist with microenterprises and small businesses. The City helped fund the purchase of land by the Greater Norfolk Economic Development Foundation for a 140 acre business park. The Mayor and Council plan to develop opportunities for clean energy. This includes adding electric vehicles and charging stations to the City fleet and forming a plan for wastewater reuse for industrial processing. The City will work with NPPD to implement the 8.5 MW solar project at the west water treatment plant. The Mayor and Council continue to explore commercial and industrial site development opportunities, work with NPPD to identify retail and service growth opportunities, and support lobbying efforts for state and federal funding for infrastructure projects.

Another of the Mayor and Council goals is parks and recreation. The Council desires adding more amenities to attract people to the community. The City was awarded a grant from the Nebraska Game and Parks Commission for the East Benjamin Avenue connector trail. This is a 7,400 foot trail that connects to the existing Victory Road Trail that was completed this past year. The grant will fund approximately 40% of the project. Staff continue to work on the Highway 275 underpass trail that is also partially funded with a grant from the Nebraska Game and Parks Commission. This project is estimated to be \$345,617, with \$297,808 funded by grants, and construction is anticipated in 2020. The City is planning significant improvements to Johnson Park and the North Fork of the river adjacent thereto. The capital improvement program includes \$2,700,000 for improvements to Johnson Park and \$2,965,800 for rehabilitation of the North Fork of the river near and adjacent to the park. The Lower Elkhorn Natural Resources District and the Norfolk Sanitary District will contribute funding for the river rehabilitation. Other recreational improvements along the North Fork include Embrace Park located between the YMCA and the river, just south of Benjamin Avenue. A bathroom at Embrace Park was recently constructed and all that remains to finish at Embrace Park is to add appropriate signage which will be done in conjunction with the reconstruction of Benjamin Avenue. The City was awarded a \$425,000 tourism grant through the Nebraska Tourism Commission to rebuild Miracle Skate Park to make it handicap accessible for both participants and spectators. Total project cost, including grant administration, is estimated to be \$569,500, with approximately 75% to be funded with grant proceeds. In addition, the Mayor and Council plan to complete Ta-Ha-Zouka Park Phase 3 to add additional soccer fields.

Street maintenance continues to be a goal of the Mayor and Council. The City was awarded a Community Development Block Grant that will be used to reconstruct Braasch Avenue from 1<sup>st</sup> Street to 5<sup>th</sup> Street. The \$4.4 million project also includes water and sewer main replacements and construction is expected in 2020. The City awarded an engineering design contract for reconstruction of Benjamin Avenue from 1<sup>st</sup> Street to 13<sup>th</sup> Street. This will be approximately a \$10.4 million project. The Mayor and Council intend to issue City Highway Allocation Fund pledge bonds to accelerate street projects, including reconstruction of Benjamin Avenue. Significant maintenance on bridges on North 1<sup>st</sup> Street, East Benjamin Avenue, and East Elm Street is planned for the coming year. Other street maintenance goals include improvements to Georgia Avenue, Square Turn Boulevard, West Raasch and 34<sup>th</sup> Street, and 25<sup>th</sup> Street south of Highway 275. Staff plan to increase seasonal help for streets, train staff on pavement management system, and hold public open houses to explain the 1 to 6 year street plan.

## **RELEVANT FINANCIAL POLICIES**

The City's important financial policies are included in the City's budget document. During the current year, one of these policies was particularly relevant. In 1988 the City Council adopted a policy that requires a minimum budgeted General Fund ending balance of \$1 million. If adjusted for inflation this would be \$2.2 million. Over the last several years, the City has been increasing General Fund ending balance to bring it up to a more appropriate level. As discussed earlier, the Mayor and Council reach their goal of budgeting General Fund ending balance at the GFOA recommended minimum of 16% of operating expenditures with the 2019-2020 budget.

## **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, 2018. This was the thirty-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 twenty-six years, the most recent for the 2018-2019 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", written in a cursive style.

Randy Gates  
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, 2018.

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.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Norfolk  
Nebraska**

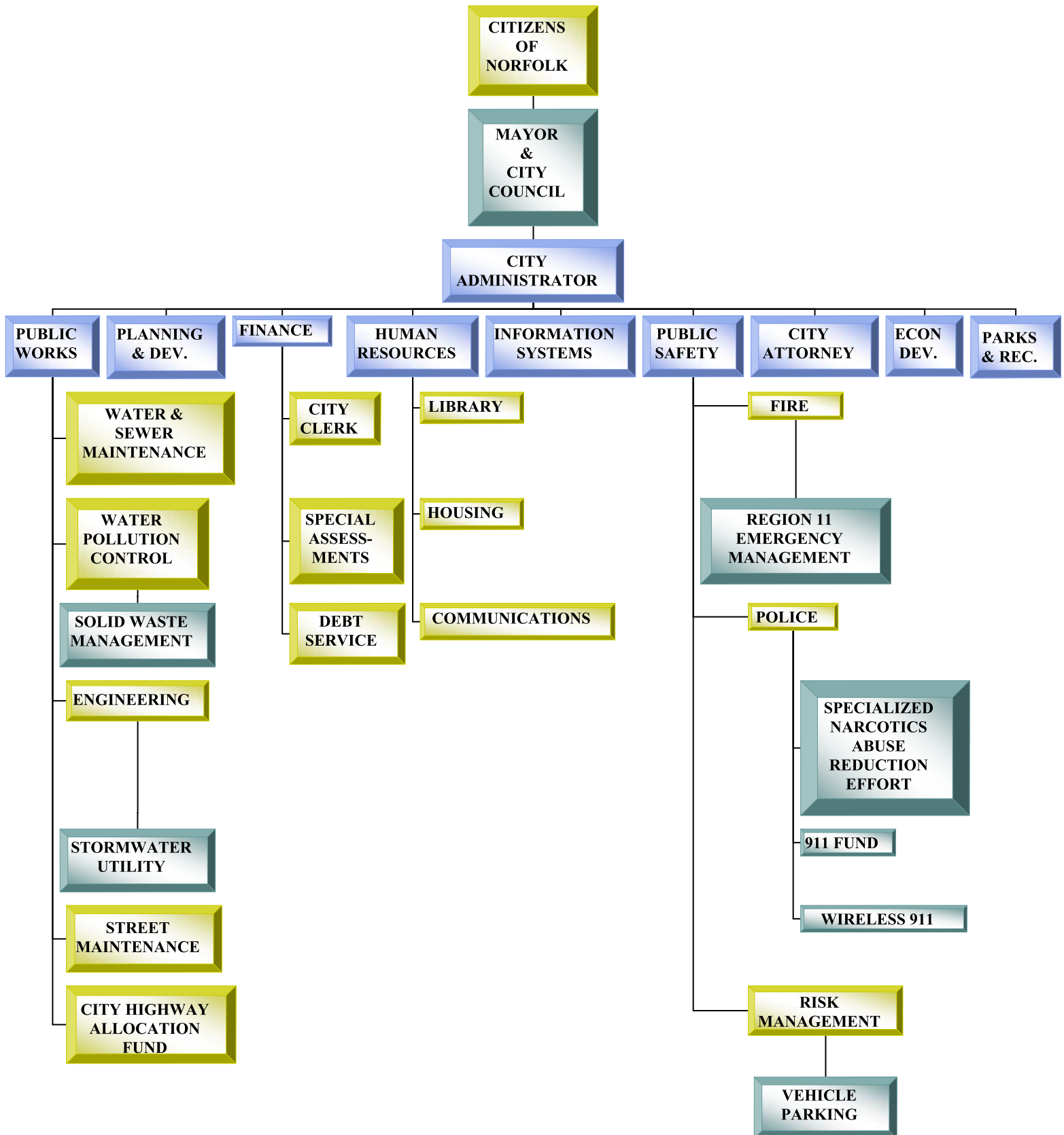
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

**City of Norfolk, Nebraska  
Organizational Chart**



# CITY OF NORFOLK, NEBRASKA

List of Principal Officials

October 1, 2019

<u>Title</u>	<u>Name</u>
Mayor	Josh Moening
Council Member	Gary L. Jackson
Council Member	Corey Granquist
Council Member	Shane Clausen
Council Member	Jim Lange
Council Member	Fred Wiebelhaus
Council Member	Dick Pfeil
Council Member	Rob Merrill
Council Member	Thad Murren
City Administrator/Economic Development Director	Andy Colvin
City Attorney	Danielle Myers-Noelle
City Clerk	Elizabeth A. Deck
City Planner	Valerie Grimes
Director of Public Works	Steve Rames
Director of Public Safety	Shane Weidner
Finance Officer	Randy Gates
Fire Chief	Scott Cordes
Housing Director	Gary Bretschneider
Human Resources Director	Sheila Schukei
Information Systems Manager	Jim McKenzie
Library Director	Jessica Chamberlain
Street Superintendent	Mark Miller
Risk Manager	Lyle Lutt
Park & Building Maintenance Superintendent	Pat Mrsny
Police Chief	Don Miller
Wastewater Plant Superintendent	Robert Huntley
Water and Sewer Director	Dennis Watts

# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

Honorable Members  
of the City Council  
City of Norfolk, Nebraska

### **Report on the Financial Statements**

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 City of Norfolk, Nebraska (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison information, and pension related schedules, as shown in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

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, Governmental Non-Major Funds Combining Financial Statements, Budget Schedules, Enterprise Fund Combining Departmental Financial Schedules, Fiduciary Fund Combining Financial Statements, and Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Governmental Non-Major Funds Combining Financial Statements, Enterprise Fund Combining Departmental Financial Schedules, Fiduciary Fund Combining Financial Statements, and Budget Schedules are the responsibility management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Governmental Non-Major Funds Combining Financial Statements, Enterprise Fund Combining Departmental Financial Schedules, Fiduciary Fund Combining Financial Statements, and Budget Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020, on our consideration of the City's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Hayes & Associates, L.L.C.*

Hayes & Associates, L.L.C.  
Omaha, Nebraska  
March 27, 2020



## **Management Discussion and Analysis**

**September 30, 2019**

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, 2019. 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 and deferred outflows of resources of the City of Norfolk exceeded liabilities and deferred inflows of resources at September 30, 2019, by \$145,454,814. Of this amount, \$29,755,160 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$6,661,583 during the year. Of this amount, the net position of Governmental Activities increased \$3,831,355 and the net position of Business Activities increased \$2,830,228.
- Bonds payable decreased \$371,104. Outstanding revenue bonds total \$8,936,054, general obligation bonds \$14,168,543, and special assessment bonds \$1,790,000 backed by the City's full faith and credit. Bond anticipation notes increased \$4,655,000 and total \$6,522,000.

## **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 Position 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 Position 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 Position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 Position 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 deferred outflows of resources and liabilities and deferred inflows of resources 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 position, which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position 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 Position and the Statement of Activities, the City is divided 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, Solid Waste, and Stormwater 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 Position 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 using the accrual basis of accounting, the same basis reported in the Statement of Net Position 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 Position and a Statement of Changes in Fiduciary Net Position. 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 position may serve over time as a useful indicator of a government’s financial position. The largest part of the City’s net position 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, 2019, net position was as follows:

City of Norfolk's Net Position						
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 37,071,614	\$ 35,277,889	\$ 14,131,935	\$ 14,911,046	\$ 51,203,549	\$ 50,188,935
Capital Assets	76,170,418	69,902,735	55,274,645	52,885,592	131,445,063	122,788,327
Total Assets	113,242,032	105,180,624	69,406,580	67,796,638	182,648,612	172,977,262
Deferred Outflows of Resources	42,098	48,219	-	-	42,098	48,219
Long-Term Liabilities	24,522,736	19,855,817	9,257,256	9,621,146	33,779,992	29,476,963
Other Liabilities	2,878,862	3,321,849	577,042	1,433,438	3,455,904	4,755,287
Total Liabilities	27,401,598	23,177,666	9,834,298	11,054,584	37,235,896	34,232,250
Net Position:						
Net Investment in Capital Assets	56,281,189	55,056,983	46,338,591	43,595,405	102,619,780	98,652,388
Restricted	12,111,440	10,743,191	968,434	847,638	13,079,874	11,590,829
Unrestricted	17,489,903	16,251,003	12,265,257	12,299,011	29,755,160	28,550,014
Total Net Position	\$ 85,882,532	\$ 82,051,177	\$ 59,572,282	\$ 56,742,054	\$ 145,454,814	\$ 138,793,231

A portion of net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position of \$29,755,160 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 position, 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 net position is the \$3,967,392 increase in net investment in capital assets. The Governmental Activities increased \$1,224,206, primarily due to various street improvements, and the Business-Type Activities increased \$2,743,186, primarily due to the south water main loop and the Raasch reservoir interceptor sewer extension.

Total revenue reported in fiscal year 2019 was \$47,108,120. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

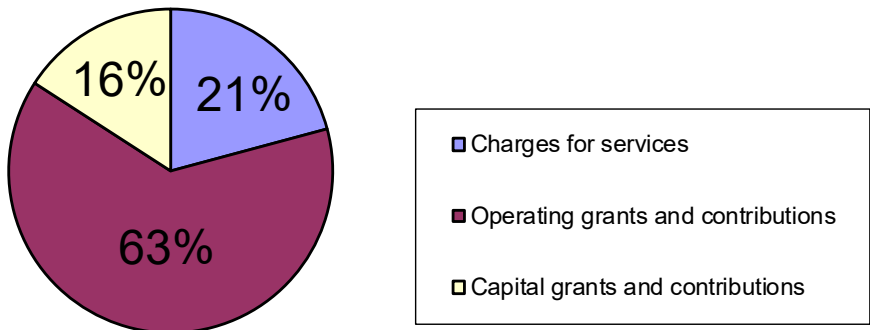
City of Norfolk's Changes in Net Position

	General Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 2,785,357	\$ 2,771,888	\$ 9,892,153	\$ 9,365,219	\$ 12,677,510	\$ 12,137,107
Operating grants and contributions	8,463,834	6,103,919	-	-	8,463,834	6,103,919
Capital grants and contributions	2,124,055	4,709,685	819,590	1,293,123	2,943,645	6,002,808
Total Program Revenues	<u>13,373,246</u>	<u>13,585,492</u>	<u>10,711,743</u>	<u>10,658,342</u>	<u>24,084,989</u>	<u>24,243,834</u>
General Revenues:						
Property taxes	4,335,563	4,002,734	-	-	4,335,563	4,002,734
Sales taxes	8,744,704	9,796,242	-	-	8,744,704	9,796,242
Other taxes	230,038	210,413	-	-	230,038	210,413
Occupation and franchise taxes	2,965,012	2,827,862	-	-	2,965,012	2,827,862
Interest	619,526	317,718	245,931	170,004	865,457	487,722
General intergovernmental revenues	429,545	409,242	-	-	429,545	409,242
Keno revenues	621,592	642,534	-	-	621,592	642,534
General revenue from electrical distribution system lease	4,594,255	4,630,450	-	-	4,594,255	4,630,450
Revenue from sale of uncapitalized property	5,940	35,000	-	-	5,940	35,000
Miscellaneous	208,110	120,658	22,915	22,980	231,025	143,638
Total General Revenues	<u>22,754,285</u>	<u>22,992,853</u>	<u>268,846</u>	<u>192,984</u>	<u>23,023,131</u>	<u>23,185,837</u>
Total Revenues	<u>36,127,531</u>	<u>36,578,345</u>	<u>10,980,589</u>	<u>10,851,326</u>	<u>47,108,120</u>	<u>47,429,671</u>
Expenses:						
General Government	2,956,350	2,977,504	-	-	2,956,350	2,977,504
Public Safety	10,300,692	10,427,387	-	-	10,300,692	10,427,387
Public Works	7,614,440	7,353,230	-	-	7,614,440	7,353,230
Public Library	1,804,884	2,233,538	-	-	1,804,884	2,233,538
Parks and Recreation	3,334,945	3,180,516	-	-	3,334,945	3,180,516
Community Improvement and Development	5,826,934	3,182,386	-	-	5,826,934	3,182,386
Debt Service	398,001	344,297	-	-	398,001	344,297
Water System	-	-	2,535,576	2,345,132	2,535,576	2,345,132
Sewer System	-	-	3,738,328	3,790,662	3,738,328	3,790,662
Solid Waste	-	-	1,936,387	1,960,849	1,936,387	1,960,849
Total Expenses	<u>32,236,246</u>	<u>29,698,858</u>	<u>8,210,291</u>	<u>8,096,643</u>	<u>40,446,537</u>	<u>37,795,501</u>
Increase (Decrease) in Net Position before Transfer	3,891,285	6,879,487	2,770,298	2,754,683	6,661,583	9,634,170
Transfers	<u>(59,930)</u>	<u>(2,232,632)</u>	<u>59,930</u>	<u>2,232,632</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	3,831,355	4,646,855	2,830,228	4,987,315	6,661,583	9,634,170
Net Position - Beginning	<u>82,051,177</u>	<u>77,404,322</u>	<u>56,742,054</u>	<u>51,754,739</u>	<u>138,793,231</u>	<u>129,159,061</u>
Net Position - Ending	<u>\$ 85,882,532</u>	<u>\$ 82,051,177</u>	<u>\$ 59,572,282</u>	<u>\$ 56,742,054</u>	<u>\$ 145,454,814</u>	<u>\$ 138,793,231</u>

Program revenues totaled \$24,084,989. Of this total \$10,711,743 was program revenues from Business-Type Activities and \$13,373,246 was program revenues from General Governmental Activities. These amounts are similar to the prior year, varying less than 2%. In the current year there was \$4.2 million of tax increment financing proceeds, an increase of \$3.5 million, for Fountain Point and a building reconstruction downtown. This increase was mostly offset by decreases in special assessments, developer contributions of new streets, and a grant from the State of Nebraska for Black Hills Energy to construct a natural gas pipeline in the prior year. Program revenues from Business-Type Activities consist primarily of charges for services. About 92% of Business-Type Activities program revenues is use fees for water, sewer, and solid waste. Sewer rates increased 6% and water rates increased 2% effective October 1, 2018. This increased sewer user charges \$209,153, while water user charges decreased \$32,363 due to a decrease in usage. The remaining program revenues from Business-Type Activities consists primarily of developer contributions for water and sewer lines in new developments such as Legacy Bend Second Addition and Madison Villas Addition.

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

### Program Revenues General Governmental

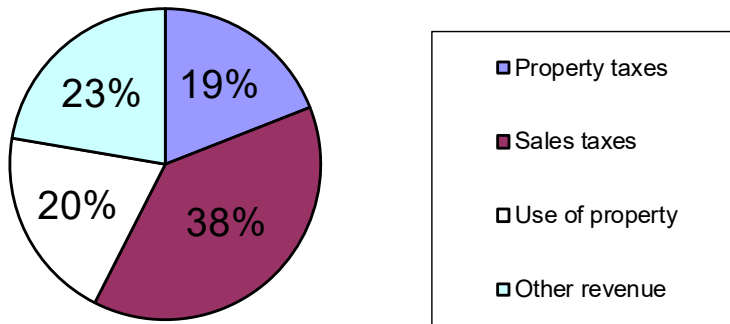


General revenues for Governmental Activities decreased \$238,568 or 1.04% going from \$22,992,853 last year to \$22,754,285 in the current year. The largest general revenue source is sales tax, which decreased \$1,051,538 or 10.73%. The half-cent sales tax for the library addition and renovation ended on March 31, 2018. The last of this sales tax was received in May 2018. The sales tax rate for the current year was 1.5% compared to 2% for over half of the prior year. Property taxes increased \$332,829 or 8.32% because the City is allowing its property tax asking to increase for any increase in assessed valuation. The City also increased the tax levy slightly to fund debt service on flood

control bonds issued to fund recertification that the flood control levee meets Federal Emergency Management Agency standards. Interest income increased \$301,808 going from \$317,718 last year to \$619,526 this year due to rising interest rates on investments. Occupation and franchise taxes increased \$137,150 or 4.85% primarily due to an increase in food and beverage and lodging occupation taxes.

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

### General Revenues General Governmental



Total expenses increased \$2,651,036 or 7.01% going from \$37,795,501 last year to \$40,446,537 this year. The increase was primarily in the Governmental Activities which increased \$2,537,388 or 8.54%, while expenses in Business-Type Activities increased \$113,648 or 1.40%.

The biggest increase was in community improvement and development, which increased \$2,644,548 going from \$3,182,386 in the prior year to \$5,826,934 in the current year. As mentioned earlier there was \$4.2 million of tax increment financing proceeds for two redevelopment projects. The tax increment financing proceeds were disbursed to the developers according to the Redevelopment Agreements. This was partially offset by a \$1.4 million grant in the prior year from the State of Nebraska for Black Hills Energy to construct a natural gas pipeline. Also increasing community improvement and development was the creation of a new Planning and Development Division. Personnel in the Administration and Fire Divisions that were doing inspections, permits and codes were moved to the new division to improve workflow. This was a minimal increase in expenses for the City as a whole, but it increased expenses in community improvement and development and decreased expenses in public safety and general government due to the restructure.

Public works increased \$261,210 or 3.55% going from \$7,353,230 in the prior year to \$7,614,440 in the current year. City streets have been deteriorating and the Mayor and

Council have made it a goal to increase street maintenance the past couple years. The City hired Knife River Midwest to do street overlay projects on 1st Street, Norfolk Avenue, Benjamin Avenue, McKinley Street, and 5<sup>th</sup> Street for \$1,311,353. The City paid \$512,794 for its share of costs for construction of a roundabout at 37<sup>th</sup> Street, which is a State owned asset.

Parks and recreation increased \$154,429 or 4.86% primarily due to increased maintenance at Skyview Park, Ta-Ha-Zouka Park, and Central Park. This was funded with keno revenue and is consistent with the Mayor and Council’s goal to improve parks and recreation.

Public library decreased \$428,654 going from \$2,233,538 in the prior year to \$1,804,884 in the current year. Construction of the library addition and renovation was finished last year. This was a \$8.7 million project funded with sales tax and a \$750,000 grant from the State of Nebraska Civic and Community Center Financing Fund. Most of this project was capitalized as fixed assets. But the City’s capitalization threshold is \$5,000, so all of the new furnishings under \$5,000 for the renovated library were expensed in public library in the prior year. This included: shelving, computers, TVs tables, desks, chairs and other various furniture items.

Expenses for Business-Type Activities increased \$113,648 or 1.40% going from \$8,096,643 last year to \$8,210,291 this year. Expenses in the Water Division increased \$190,444 or 8.12% primarily due to roof replacement on the east water treatment plant, well pump repairs, and a \$23,758 increase in administration fees paid to the General Fund. The Enterprise Funds pay a percentage of use fees to the General Fund for administration, and the City has been increasing this percentage to reflect the true cost of administering the Enterprise Funds. In the prior year this was 7% of use fees for the Water and Sewer Funds and 3% for the Solid Waste Fund. In the current year it is 8% for the Water and Sewer Funds and 3.5% for the Solid Waste Fund. This increased Sewer Division expenses \$67,588, which was offset by a decrease in maintenance on the water pollution control plant sludge holding tank, for a total decrease in Sewer Division expenses of \$52,334. Solid Waste Division expenses decreased \$24,462 or 1.25% primarily due to due to consultant fees for a site master plan in the prior year.

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, Emergency Management
Public Works .....	Engineering, Streets, Drainage
Public Library .....	Operation of Public Library
Parks and Recreation .....	Parks, Recreation
Community Improvement and Development.....	Housing, Economic Development, Planning and 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
Stormwater.....	Compliance with Federal Stormwater Regulations

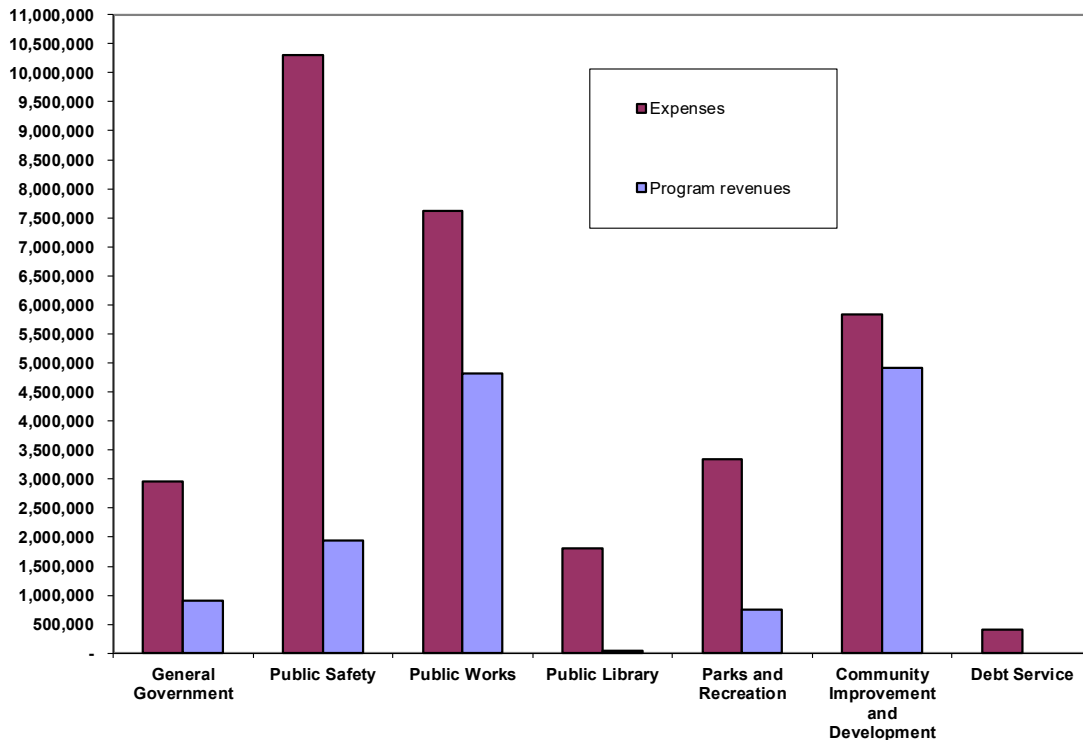


## Governmental Activities

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 governmental activities. For example, public safety had expenses of \$10,300,692 and total program revenues of only \$1,933,346 comprised of \$818,625 of charges for services, \$510,468 of operating grants and contributions, and \$604,253 of capital grants and contributions. The net cost of public safety was \$8,367,346 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:

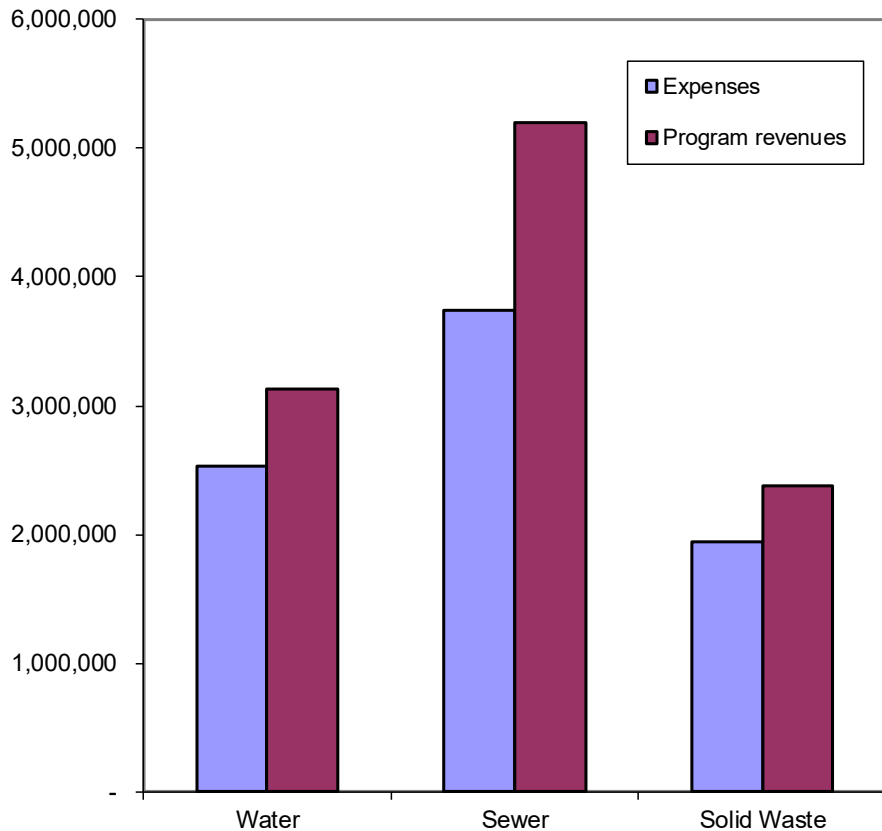
General Government.....	Fees, Nongovernmental Grants
Public Safety.....	State Revenue, Federal Grants, State Grants, Ambulance Fees and Other Charges for Service, Contributions
Public Works.....	Special Assessments, State Revenue, Charges for Services, Federal Grants, Rent, Contributed Capital
Public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

**Business-Type Activities**

Business-Type Activities net position increased \$2,830,228 accounting for 42% of the growth in the City’s net position.

The City operates four Business-Type Activities including water, sewer, solid waste, and stormwater. Stormwater was added in September 2019 to account for compliance with federally mandated stormwater regulations. No expenses were incurred in the current year. As can be seen by the following chart, program revenues exceeded expenses in the other three divisions during the year. Water Division program revenues exceeded expenses by \$592,234. Water rates are set to fund the City’s water master plan, which is currently being updated. The last master plan included about \$20 million of improvements through 2020. The last water rate increase was 2% and effective October 1, 2018. The last sewer rate increase was 6% and also effective October 1, 2018. The City is in the final stages with Black & Veatch on a sewer master plan update and a wastewater rate study to determine future sewer rate increases needed to fund sewer projects identified in the master plan. In fiscal year 2019 Sewer Division program revenues exceeded expenses by \$1,463,461. Solid Waste Division program revenues exceeded expenses by \$445,757. Solid waste rates increased \$9 per ton or 16.1% effective October 1, 2018 to fund master plan implementation that includes a truck maintenance facility, scalehouse and scale, extensive paving, and site security.

### 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. Unassigned 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 \$22,317,192. The combined Governmental Fund balance decreased \$2,102,829 from 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 \$798,914 increasing fund balance from \$9,360,712 last year to \$10,159,626 this year. The City is increasing property tax for any increase in assessed valuation. Assessed valuations increased 8.11%, which increased property tax \$286,769. Budgeted expenditures are only allowed a 3% increase because the General Fund's largest revenue source, sales tax, has not been keeping up with inflation. This year the City's 1 ½ cent sales tax increased 3.70% coming in \$556,542

greater than the amount budgeted. The requirement for online retailers to collect and pay sales tax and the increased construction activity in Norfolk has had a positive effect on sales tax revenue.

The Special Assessment Fund had a decrease in fund balance of \$5,348,204. A number of assessment districts were created for paving, water, and sewer. Bond anticipation notes of \$4,655,000 were issued during the year to fund construction. Since this is a fund liability, fund balance decreased as payments were made to contractors. The largest projects were to extend water and sewer to industrial sites northeast of Norfolk, extend water and sewer along Victory Road, and extend water, sewer, and paving to Legacy Bend Addition.

The Capital Construction Fund had an increase in fund balance of \$992,157 or 23.81%. The increase is primarily unspent bond proceeds on the \$2,290,000 public safety tax anticipation bonds issued in September 2019 to fund an ambulance, radios, defibrillators, police in-car video camera upgrade, and aerial fire apparatus. As of the end of the year, there was \$893,937 remaining to be spent.

The Debt Service Fund increased \$930,251 going from \$5,144,631 last year to \$6,074,882 this year. Approximately one-third of the increase is occupation taxes. Occupation taxes on prepared food and beverages and lodging were enacted in fiscal year 2011 to pay debt service on a bond issue to fund recreation facilities. The occupation tax receipts have been better than anticipated. The City is accumulating the occupation tax receipts until the bonds can be called. The remaining increase in fund balance is property taxes and special assessment collections to be used on future debt service.

The City Highway Allocation Fund increased \$454,117 going from \$3,836,877 last year to \$4,290,994 this year. The City completed a number of street overlay projects this year as mentioned earlier. The next major street project is the reconstruction of Benjamin Avenue from 1<sup>st</sup> Street to 13<sup>th</sup> Street. A contract was approved for just under \$1 million for design services engineering. Construction is expected to start in 2021. Highway allocation receipts are being accumulated to fund this project leading to the increase in fund balance.

The only other major fund is the Community Development Agency Fund. This fund had an increase in fund balance of \$4,979 or 1.30% due to interest earnings. \$4,210,750 of tax increment financing proceeds were issued and distributed to developers in accordance with the Redevelopment Agreements.

Governmental nonmajor funds increased \$64,957. The increase is primarily due to wireless 911 funds, drug forfeitures, and property taxes received for economic development, which was partially offset by expending grant program income on housing rehabilitation. Six funds had an increase in fund balance and three funds had a decrease in fund balance. The increases ranged from \$2,600 to \$75,215 and the decreases ranged from \$24,767 to \$109,550.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budget was not amended during the year and included approximately \$21.4 million of revenue and \$23.4 million of expenditures resulting in a budgeted decrease in fund balance of \$2 million. Actual fund balance increased \$1,203,730 because revenues exceeded budget by \$1.7 million and expenditures were under budget by \$1.5 million. This combined with beginning fund balance exceeding budget by \$1 million, resulted in an ending fund balance of about \$4.2 million more than budgeted.

The largest amount of revenues over budget was in rental income which exceeded budget by \$1,027,481. Beginning in January 2019 NPPD started paying their lease payment to the City monthly instead of quarterly. This resulted in 14 months of lease revenue received in fiscal year 2019 instead of the normal 12 months, and resulted in a one-time increase in fund balance of almost \$1 million. Intergovernmental revenue exceeded budget by \$227,432 primarily due to receipts from the State of Nebraska for property tax credit and homestead exemption. These receipts are not budgeted in intergovernmental revenue as they are budgeted as part of property taxes. Licenses and permits exceeded budget by \$152,445 due to an increase in construction related permits. As noted in the letter of transmittal, there are a number of construction projects currently in progress, most of which involve tax increment financing. Occupation and franchise taxes exceeded budget by \$93,932 due to an increase in natural gas franchise tax. The City received various nongovernmental grants, which exceeded budget by \$71,265, the largest was for workforce partnership. Miscellaneous revenue exceeded budget by \$69,147 primarily due to funds received from developers for upgraded street lighting in new developments. Most other revenue categories exceeded budget since the City normally budgets conservatively. Two revenue categories were under budget by a total of \$84,725 due to miscellaneous labor, project engineering, and keno revenue being under budget.

Expenditures in all categories, except transfers, were under budget resulting in \$1,532,958 less expenditures than budgeted. Public safety had the largest amount of under budget expenditures followed by public works and then parks and recreation. The City always budgets conservatively and expenditures are normally under budget. Capital outlays were prioritized and lower priority items were delayed or not purchased.

No insurance proceeds were budgeted and actual insurance proceeds were \$13,871 due to various minor insurance claims. Transfers out were \$8,000 over budget due to an additional transfer from the General Fund to the Capital Projects Fund for a message board, and transfers in exceeded budget by \$4,000 due to funds received from the Solid Waste Fund for a skid steer received from the Street Division.

## **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, 2019, was \$102,619,780 (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			
	2019	2018	2019	2018	2019	2018
Land	\$ 18,815	\$ 71,413	\$ 143,029	\$ -	\$ 161,844	\$ 71,413
Buildings and improvements	29,380	8,961,090	160,295	19,537	189,675	8,980,627
Water distribution and sewage system	-	-	4,025,786	7,264,243	4,025,786	7,264,243
Equipment, furniture and fixtures	1,828,930	689,780	1,077,426	220,144	2,906,356	909,924
Infrastructure	1,115,352	6,466,152	-	-	1,115,352	6,466,152
Construction in progress	8,351,833	6,709,277	2,015,883	3,732,358	10,367,716	10,441,635
Total Gross Additions	\$ 11,344,310	\$ 22,897,712	\$ 7,422,419	\$ 11,236,282	\$ 18,766,729	\$ 34,133,994

Gross additions to capital assets for Governmental Activities were \$11,344,310 compared to \$22,897,712 of additions in the prior year. In the prior year the \$8.7 million library addition and renovation project was completed and almost \$8 million of this was recorded as capital assets. Also in the prior year the Norfolk Avenue bridge project was finished and recorded as a \$4 million capital asset and \$2 million of streets in new subdivisions was dedicated to the City by developers. In the current year a \$1,141,169 aerial fire apparatus was purchased that was half funded by the Norfolk Rural Fire District. Infrastructure additions consist solely of streets, approximately half of which is streets in new subdivisions dedicated to the City by developers. The largest addition to construction in progress is \$4 million to extend water and sewer to industrial sites northeast of Norfolk. Other significant additions to construction in progress include: water, sewer, and paving to Legacy Bend Addition, Prospect Avenue improvements, Monroe Avenue improvements, and design engineering for Benjamin Avenue reconstruction.

Total gross additions to capital assets for Business-Type activities were \$7,422,419 compared to \$11,236,282 in the prior year. The largest projects finished in the prior year were the southwest sanitary sewer interceptor and extending sewer service south of the Elkhorn River. The largest projects finished in the current year were the south water and sewer main loops, Raasch reservoir interceptor sewer, and extending sewer to Fountain Point. Significant additions of equipment include: a solids applicator truck, an over-the-road truck, a loader, and a transfer station trailer.

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

## DEBT ADMINISTRATION

At year-end the City had \$24,894,597 of bonded debt outstanding, net of original issue discounts/premiums. This is a decrease of \$371,104 from the prior year. During the year

the City issued \$2,290,000 of public safety tax anticipation bonds to fund an ambulance, radios, defibrillators, police in-car video camera upgrade, and aerial fire apparatus.

Moody's rated the City's combined utilities revenue and refunding bond issue dated November 1, 2017 Aa3. The ratio of general bonded debt to assessed real property value for the City has increased from .26% in 2010 to .73% currently due to the \$16.4 million recreation bond issue in fiscal year 2010-2011. Total debt per capita was \$551.31 in 2010 compared to \$1,100.67 in 2018, the most recent date per capita information is available. The debt coverage ratio for the City's enterprise bonds is 6.49.

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 7 of the financial statements.

## **ECONOMIC FACTORS**

The City is in the process of updating the water and sewer master plans. The water master plan will take about two years to complete and will provide information on whether the water lines are sized properly to extend water to new areas, on whether the existing water treatment plant can handle current capacity and growth, and what the well field can supply for water. The sewer master plan is in its final stages and a wastewater rate study is being completed in conjunction with the master plan. Water and sewer rates will be set according to the master plans. The last rate increases were 2% for both water and sewer rates effective October 1, 2019.

The City implemented a new stormwater fee effective October 1, 2019 to fund compliance with federally mandated stormwater regulations. The fee is \$1 per month for residential customers and \$3 per month for commercial and industrial customers.

The City was awarded several grants during the year. One of the grants is a \$250,000 grant from the Nebraska Game and Parks Commission for the East Benjamin Avenue Connector Trail. This is a 7,400 foot trail that connects to the existing Victory Road Trail. The City was also awarded a \$75,000 USDA Rural Business Development Grant to establish a revolving loan fund to assist with microenterprises and small businesses.

The City has entered into agreements with the Lower Elkhorn Natural Resources District (LENRD) and the Sanitary District of the City of Norfolk to restore the river channel of the North Fork of the Elkhorn River between Prospect Avenue and Norfolk Avenue. The LENRD's contribution to the project is just over \$1 million and the Sanitary District's contribution is \$250,000.

In March 2019 the region experienced record flooding. The City's levee system protected the City from major damage but the levee system incurred damage. The City will have significant future expenses related to the damaged levee system but a substantial portion will be reimbursed by FEMA.

The City's assessed valuations increased 3.81% from the prior year. This resulted in a \$152,845 increase in budgeted property tax for the 2019-2020 budget.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$9,938,855. The City has appropriated \$2,851,915 of this amount for spending in the 2019-2020 fiscal year budget. This action was taken as a precaution, given that the City budgets conservatively.

## **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 POSITION**

September 30, 2019

With Summarized Financial Information as of September 30, 2018

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2019	2018
<b>ASSETS</b>				
Cash and Equity in Pooled Investment Account	\$ 30,798,854	\$ 11,298,881	\$ 42,097,735	\$ 40,922,079
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	315,805	1,480,264	1,796,069	1,949,292
Taxes	2,386,063	-	2,386,063	1,816,840
Accrued Interest	204,146	91,498	295,644	138,089
Special Assessments	1,153,727	20,509	1,174,236	1,089,863
Notes Receivable	991,706	-	991,706	1,014,214
TIF Bond Receivable	144,799	-	144,799	149,396
Due from Other Governmental Agencies	969,085	-	969,085	1,890,491
Inventories	45,508	202,857	248,365	262,536
Prepaid Assets	61,921	-	61,921	36,110
Restricted Assets:				
Cash and Cash Equivalents	-	1,037,926	1,037,926	920,025
Land	8,971,637	3,309,893	12,281,530	12,119,686
Construction in Progress	9,321,721	1,460,709	10,782,430	5,150,706
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	57,877,060	50,504,043	108,381,103	105,517,935
<b>Total Assets</b>	<b>113,242,032</b>	<b>69,406,580</b>	<b>182,648,612</b>	<b>172,977,262</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Loss on Refunding	17,708	-	17,708	21,915
Deferred Outflow of Resources Related to Pensions	24,390	-	24,390	26,304
<b>Total Deferred Outflows of Resources</b>	<b>42,098</b>	<b>-</b>	<b>42,098</b>	<b>48,219</b>
<b>LIABILITIES</b>				
Accounts Payable	2,681,780	507,550	3,189,330	4,573,004
Unearned Revenue	70,852	-	70,852	527
Accrued Interest Payable	126,230	-	126,230	109,369
Payables from Restricted Assets:				
Accrued Revenue Bond Interest	-	69,492	69,492	72,387
Revenue Bonds - Current	-	370,000	370,000	330,000
Noncurrent Liabilities:				
Due within one year:				
General Obligation Bonds	2,105,000	-	2,105,000	1,930,000
Various Purpose Bonds	140,000	-	140,000	305,000
Compensated Absences and Benefits	953,887	149,474	1,103,361	1,114,022
Due in more than one year:				
Revenue Bonds Payable	-	8,566,054	8,566,054	8,960,187
General Obligation Bonds	12,063,543	-	12,063,543	11,950,514
Various Purpose Bonds	1,650,000	-	1,650,000	1,790,000
Bond Anticipation Notes	6,522,000	-	6,522,000	1,867,000
Compensated Absences and Benefits	1,063,223	171,728	1,234,951	1,213,103
Net Pension Liability	25,083	-	25,083	17,137
<b>Total Liabilities</b>	<b>27,401,598</b>	<b>9,834,298</b>	<b>37,235,896</b>	<b>34,232,250</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	56,281,189	46,338,591	102,619,780	98,652,388
Restricted for:				
Debt Service	3,221,437	968,434	4,189,871	3,726,979
Road Projects	4,290,994	-	4,290,994	3,836,877
Community Programs & Services	4,599,009	-	4,599,009	4,026,973
Unrestricted	17,489,903	12,265,257	29,755,160	28,550,014
<b>Total Net Position</b>	<b>\$ 85,882,532</b>	<b>\$ 59,572,282</b>	<b>\$ 145,454,814</b>	<b>\$ 138,793,231</b>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**

**STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2019

With Summarized Financial Information for the Year Ended September 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Totals	
			Grants and Contributions	Grants and Contributions			2019	2018
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 2,956,350	\$ 846,121	\$ 67,850	\$ -	\$ (2,042,379)		\$ (2,042,379)	\$ (2,193,149)
Public Safety	10,300,692	818,625	510,468	604,253	(8,367,346)		(8,367,346)	(8,679,156)
Public Works	7,614,440	105,214	3,441,650	1,266,043	(2,801,533)		(2,801,533)	(261,972)
Public Library	1,804,884	27,542	10,109	407	(1,766,826)		(1,766,826)	(1,829,828)
Parks and Recreation	3,334,945	490,329	10,895	253,352	(2,580,369)		(2,580,369)	(2,121,080)
Community Improvement and Development	5,826,934	497,526	4,422,862	-	(906,546)		(906,546)	(683,884)
Debt Service	398,001	-	-	-	(398,001)		(398,001)	(344,297)
Total Governmental Activities	<u>32,236,246</u>	<u>2,785,357</u>	<u>8,463,834</u>	<u>2,124,055</u>	<u>(18,863,000)</u>		<u>(18,863,000)</u>	<u>(16,113,366)</u>
Business-Type Activities:								
Water Division	2,535,576	2,853,689	-	274,121		592,234	592,234	1,232,378
Sewer Division	3,738,328	4,676,320	-	525,469		1,463,461	1,463,461	1,273,628
Solid Waste Division	1,936,387	2,362,144	-	20,000		445,757	445,757	55,693
Stormwater Division	-	-	-	-		-	-	-
Total Business-Type Activities:	<u>8,210,291</u>	<u>9,892,153</u>	<u>-</u>	<u>819,590</u>		<u>2,501,452</u>	<u>2,501,452</u>	<u>2,561,699</u>
Total Primary Government	<u>\$40,446,537</u>	<u>\$12,677,510</u>	<u>\$ 8,463,834</u>	<u>\$ 2,943,645</u>	<u>(18,863,000)</u>	<u>2,501,452</u>	<u>(16,361,548)</u>	<u>(13,551,667)</u>
General Revenues:								
Property Taxes					4,335,563	-	4,335,563	4,002,734
Sales Taxes					8,744,704	-	8,744,704	9,796,242
Other Taxes					230,038	-	230,038	210,413
Occupation and Franchise Taxes					2,965,012	-	2,965,012	2,827,862
Interest					619,526	245,931	865,457	487,722
General Intergovernmental Revenues Unrestricted					429,545	-	429,545	409,242
Unrestricted Keno Revenue					621,592	-	621,592	642,534
General Revenue from Electrical Distribution System Lease					4,594,255	-	4,594,255	4,630,450
Revenue from Sale of Uncapitalized Property					5,940	-	5,940	35,000
Miscellaneous					208,110	22,915	231,025	143,638
Interfund Transfers					(59,930)	59,930	-	-
Total General Revenues and Transfers					<u>22,694,355</u>	<u>328,776</u>	<u>23,023,131</u>	<u>23,185,837</u>
Change in Net Position					<u>3,831,355</u>	<u>2,830,228</u>	<u>6,661,583</u>	<u>9,634,170</u>
Net Position - Beginning					<u>82,051,177</u>	<u>56,742,054</u>	<u>138,793,231</u>	<u>129,159,061</u>
Net Position - Ending					<u>\$ 85,882,532</u>	<u>\$ 59,572,282</u>	<u>\$ 145,454,814</u>	<u>\$ 138,793,231</u>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**

**BALANCE SHEET**

**Governmental Funds**

**September 30, 2019**

	General	City Highway Allocation	Debt Service	Special Assessments	Capital Construction	Community Development Agency	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and Equity in Pooled Investment Account	\$ 7,263,471	\$ 4,434,093	\$ 5,728,513	\$ 1,416,513	\$ 5,222,036	\$ 386,578	\$ 2,286,903	\$ 26,738,107
Cash at County Treasurer	408,065	-	70,735	-	-	-	60,341	539,141
Receivables (Net, where applicable, of allowance for uncollectibles)								
Accounts	231,050	192	-	-	384	-	15	231,641
Taxes	2,038,389	-	251,390	-	-	-	96,284	2,386,063
Accrued Interest	48,373	30,398	38,101	12,960	26,921	-	16,906	173,659
Special Assessments	29,813	-	1,123,914	-	-	-	-	1,153,727
Notes Receivable	-	-	-	-	-	-	991,706	991,706
TIF Bond Receivable	-	-	144,799	-	-	-	-	144,799
Due from Other Governmental Agencies	503,357	303,645	-	-	54,919	-	107,164	969,085
Inventories	19,423	-	-	-	-	-	-	19,423
Prepaid Assets	34,463	-	-	-	-	-	27,458	61,921
<b>Total Assets</b>	<b>10,576,404</b>	<b>4,768,328</b>	<b>7,357,452</b>	<b>1,429,473</b>	<b>5,304,260</b>	<b>386,578</b>	<b>3,586,777</b>	<b>33,409,272</b>
<b>Liabilities</b>								
Accounts Payable	257,303	477,334	3,474	1,119,911	145,046	-	125,437	2,128,505
Unearned Revenue	70,852	-	-	-	-	-	-	70,852
Bond Anticipation Notes	-	-	-	6,522,000	-	-	-	6,522,000
<b>Total Liabilities</b>	<b>328,155</b>	<b>477,334</b>	<b>3,474</b>	<b>7,641,911</b>	<b>145,046</b>	<b>-</b>	<b>125,437</b>	<b>8,721,357</b>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenue-Property Taxes	58,810	-	10,383	-	-	-	11,298	80,491
Unavailable Revenue-Loan Repayments	-	-	-	-	-	-	991,706	991,706
Unavailable Revenue-Special Assessments	29,813	-	1,123,914	-	-	-	-	1,153,727
Unavailable Revenue-TIF Bond	-	-	144,799	-	-	-	-	144,799
<b>Total Deferred Inflows of Resources</b>	<b>88,623</b>	<b>-</b>	<b>1,279,096</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,003,004</b>	<b>2,370,723</b>
<b>Fund Balances (Deficits)</b>								
Non Spendable	53,885	-	-	-	-	-	27,458	81,343
Restricted	35,626	4,290,994	3,347,667	-	1,745,927	386,578	2,430,878	12,237,670
Committed	-	-	2,727,215	-	-	-	-	2,727,215
Assigned	131,260	-	-	-	3,413,287	-	-	3,544,547
Unassigned	9,938,855	-	-	(6,212,438)	-	-	-	3,726,417
<b>Total Fund Balances (Deficits)</b>	<b>10,159,626</b>	<b>4,290,994</b>	<b>6,074,882</b>	<b>(6,212,438)</b>	<b>5,159,214</b>	<b>386,578</b>	<b>2,458,336</b>	<b>22,317,192</b>
<b>Total Liabilities, Deferred Inflows of Resources and Equity</b>	<b>\$ 10,576,404</b>	<b>\$ 4,768,328</b>	<b>\$ 7,357,452</b>	<b>\$ 1,429,473</b>	<b>\$ 5,304,260</b>	<b>\$ 386,578</b>	<b>\$ 3,586,777</b>	<b>\$ 33,409,272</b>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2019**

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

Total Fund Balance - Governmental Funds (page 35)	\$ 22,317,192
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	76,170,418
Internal service fund is used by management to fund and maintain the City's health insurance provided to user departments and is included in the statement of net position.	3,082,982
Unavailable revenues that provide current financial resources for governmental activities	2,370,723
Donated land held for resale is not reported in the funds since a sales contract has not been established	26,085
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(126,230)
Deferred outflows are not financial resources and, therefore, are not reported in the funds.	42,098
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(18,000,736)</u>
Total Net Position - Governmental Activities (page 33)	<u>\$ 85,882,532</u>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	General	City Highway Allocation	Debt Service	Special Assessments	Capital Construction	Community Development Agency	Other Governmental Funds	Total Governmental Funds
<b>Revenue:</b>								
Taxes	\$ 12,068,649	\$ -	\$ 546,977	\$ -	\$ -	\$ -	\$ 456,436	\$ 13,072,062
Special Assessments	621	-	233,411	-	-	-	-	234,032
Licenses and Permits	426,812	-	-	-	-	-	-	426,812
Intergovernmental Revenue	701,420	3,428,343	50,107	-	727,559	-	964,220	5,871,649
Nongovernmental Grants	71,265	-	-	-	-	-	-	71,265
Charges for Services	2,167,855	-	-	-	-	-	-	2,167,855
Keno Revenue	621,592	-	-	-	-	-	-	621,592
Occupation and Franchise Taxes	720,467	-	2,051,287	-	-	-	193,259	2,965,013
Contributions	28,931	-	-	-	62,150	-	-	91,081
Payments in Lieu of Taxes	168,989	-	31,815	-	-	-	21,763	222,567
Parking Fees and Rentals	4,617,519	-	-	-	9,575	-	27,521	4,654,615
Loan Repayments	-	-	-	-	-	-	20,681	20,681
Interest	134,766	86,876	145,364	42,591	71,741	4,979	51,261	537,578
Miscellaneous	171,413	-	-	-	5,940	-	74,165	251,518
<b>Total Revenue</b>	<b>21,900,299</b>	<b>3,515,219</b>	<b>3,058,961</b>	<b>42,591</b>	<b>876,965</b>	<b>4,979</b>	<b>1,809,306</b>	<b>31,208,320</b>
<b>Current Expenditures:</b>								
Public Safety	9,639,728	-	-	-	1,751,052	-	218,661	11,609,441
Public Works	3,417,669	2,646,102	-	5,325,849	590,448	-	537,783	12,517,851
Public Library	1,544,931	-	-	-	31,761	-	-	1,576,692
Parks and Recreation	2,250,851	-	41,026	-	531,393	-	61,303	2,884,573
Community Improvement and Development	1,081,575	-	-	-	300,000	4,210,750	540,544	6,132,869
General Government	2,437,532	-	-	-	-	-	-	2,437,532
<b>Debt Service:</b>								
Debt Service	-	-	2,216,779	64,946	-	-	402,179	2,683,904
<b>Total Expenditures</b>	<b>20,372,286</b>	<b>2,646,102</b>	<b>2,257,805</b>	<b>5,390,795</b>	<b>3,204,654</b>	<b>4,210,750</b>	<b>1,760,470</b>	<b>39,842,862</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,528,013</b>	<b>869,117</b>	<b>801,156</b>	<b>(5,348,204)</b>	<b>(2,327,689)</b>	<b>(4,205,771)</b>	<b>48,836</b>	<b>(8,634,542)</b>
<b>Other Financing Sources (Uses):</b>								
Issuance of Debt	-	-	-	-	2,290,000	-	-	2,290,000
Issuance of TIF Proceeds	-	-	-	-	-	4,210,750	-	4,210,750
Insurance Proceeds	13,871	-	-	-	-	-	-	13,871
Transfers In	619,000	-	129,095	-	1,029,846	-	203,029	1,980,970
Transfers Out	(1,361,970)	(415,000)	-	-	-	-	(186,908)	(1,963,878)
<b>Total Other Financing Sources (Uses)</b>	<b>(729,099)</b>	<b>(415,000)</b>	<b>129,095</b>	<b>-</b>	<b>3,319,846</b>	<b>4,210,750</b>	<b>16,121</b>	<b>6,531,713</b>
<b>Net Change in Fund Balance</b>	<b>798,914</b>	<b>454,117</b>	<b>930,251</b>	<b>(5,348,204)</b>	<b>992,157</b>	<b>4,979</b>	<b>64,957</b>	<b>(2,102,829)</b>
<b>Fund Balances Beginning of Year</b>	<b>9,360,712</b>	<b>3,836,877</b>	<b>5,144,631</b>	<b>(864,234)</b>	<b>4,167,057</b>	<b>381,599</b>	<b>2,393,379</b>	<b>24,420,021</b>
<b>Fund Balances End of Year</b>	<b>\$ 10,159,626</b>	<b>\$ 4,290,994</b>	<b>\$ 6,074,882</b>	<b>\$ (6,212,438)</b>	<b>\$ 5,159,214</b>	<b>\$ 386,578</b>	<b>\$ 2,458,336</b>	<b>\$ 22,317,192</b>

See Accompanying Notes to Financial Statements

**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, 2019**

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

Net change in fund balances - total governmental funds (page 37)	\$ (2,102,829)
<p>Governmental funds report capital outlay, 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 exceeded depreciation expense in the current year as follows:</p>	
Expenditures for capital assets	\$ 10,222,752
Depreciation expense	<u>(3,801,710)</u> 6,421,042
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and donations).	(153,357)
Revenues in the statement of activities that are not available to provide current financial resources	84,371
Accrued interest expense that does not require current financial resources	(16,861)
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:	(20,945)
Pension expenses reported in the statement of activities do not require the use of current financial resources.	(9,859)
Internal service fund is used by management to fund the City's group health insurance provided to user departments and is included in the statement of net position. The net revenue of the internal service fund is reported with governmental activities.	(382,970)
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:	(2,290,000)
The effect of bond premiums and deferred refunding charges when new debt is issued, whereas, these amounts are deferred and amortized in the statement of activities	67,763
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. 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:	<u>2,235,000</u>
Change in net position of governmental activities (page 34)	<u>\$ 3,831,355</u>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**September 30, 2019**

	<b>Business Type Activities Combined Utilities</b>	<b>Governmental Activities Internal Service</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Equity in Pooled Investment Account	\$ 11,298,881	\$ 3,521,606
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	1,480,264	84,164
Accrued Interest	91,498	30,487
Special Assessments	20,509	-
Restricted Cash		
Cash and Cash Equivalents	439,492	-
Inventories	202,857	-
Total Current Assets	<u>13,533,501</u>	<u>3,636,257</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	598,434	-
Capital Assets:		
Land	3,309,893	-
Construction in Progress	1,460,709	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	50,504,043	-
Total Noncurrent Assets	<u>55,873,079</u>	<u>-</u>
<b>Total Assets</b>	<u>69,406,580</u>	<u>3,636,257</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	507,550	553,275
Accrued Wages and Compensated Absences	149,474	-
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	69,492	-
Revenue Bonds - Current	370,000	-
Total Current Liabilities	<u>1,096,516</u>	<u>553,275</u>
Noncurrent Liabilities:		
Due in more than one year:		
Revenue Bonds Payable	8,566,054	-
Compensated Absences and Benefits, Long-Term	171,728	-
Total Noncurrent Liabilities	<u>8,737,782</u>	<u>-</u>
<b>Total Liabilities</b>	<u>9,834,298</u>	<u>553,275</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	46,338,591	-
Restricted for:		
Debt Covenants	968,434	-
Unrestricted	12,265,257	3,082,982
Total Net Position	<u>\$ 59,572,282</u>	<u>\$ 3,082,982</u>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	<b>Business Type Activities Combined Utilities</b>	<b>Governmental Activities Internal Service</b>
<b>Operating Revenues:</b>		
Charges for Services	\$ 9,810,061	\$ 3,388,836
Rental Income	70,717	-
Miscellaneous Income	22,915	-
<b>Total Operating Revenue</b>	<u>9,903,693</u>	<u>3,388,836</u>
<b>Operating Expenses:</b>		
Payroll and Related Taxes and Benefits	2,369,503	-
Purchased Services	862,487	-
General and Administration	1,365,207	3,853,755
Repairs and Maintenance	1,329,838	-
Utilities	683,700	-
Depreciation and Amortization	1,362,664	-
<b>Total Operating Expenses</b>	<u>7,973,399</u>	<u>3,853,755</u>
<b>Operating Income</b>	<u>1,930,294</u>	<u>(464,919)</u>
<b>Non-Operating Income (Expense):</b>		
Intergovernmental Revenue	20,000	-
Interest Income	245,931	81,949
Gain (Loss) on Disposal of Capital Assets	(11,060)	-
Interest Expense	(215,626)	-
Interfund Transfer Out	(5,509)	-
<b>Total Non-Operating Income (Expenses)</b>	<u>33,736</u>	<u>81,949</u>
<b>Income before Contributions</b>	1,964,030	(382,970)
Capital Contributions	<u>866,198</u>	<u>-</u>
<b>Change in Net Position</b>	2,830,228	(382,970)
<b>Net Position - Beginning</b>	<u>56,742,054</u>	<u>3,465,952</u>
<b>Net Position - Ending</b>	<u>\$ 59,572,282</u>	<u>\$ 3,082,982</u>

See Accompanying Notes to Financial Statements



**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	<b>Business Type Activities</b>	<b>Governmental Activities</b>
	<b>Combined Utilities</b>	<b>Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 9,920,349	\$ 3,402,609
Cash Paid to Suppliers for Goods and Services	(4,366,735)	(4,154,505)
Cash Paid to Employees for Services	(2,379,260)	-
Net Cash Provided by Operating Activities	<u>3,174,354</u>	<u>(751,896)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers from Other Funds	1,908	-
Net Cash Provided by Noncapital Financing Activities	<u>1,908</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(3,923,307)	-
Capital Grants and Contributions	275,625	-
Proceeds from Sales of Capital Assets	50,874	-
Principal Paid on Notes and Bonds	(330,000)	-
Interest Paid on Notes and Bonds	(242,654)	-
Net Cash (Used) for Capital and Related Financing Activities	<u>(4,169,462)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and Dividends on Investments	202,640	68,832
Net Cash Provided for Investing Activities	<u>202,640</u>	<u>68,832</u>
Net (Decrease) in Cash and Cash Equivalents	(790,560)	(683,064)
Cash and Cash Equivalents at Beginning of Year	<u>13,127,367</u>	<u>4,204,670</u>
Cash and Cash Equivalents at End of Year	<u>\$ 12,336,807</u>	<u>\$ 3,521,606</u>

(Continued)

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	<b>Business Type Activities</b>	<b>Governmental Activities</b>
	<b>Combined Utilities</b>	<b>Internal Service</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 1,930,294	\$ (464,919)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,362,664	-
(Increase) Decrease in Assets:		
Accounts Receivable	10,087	(950,797)
Special Assessments	6,569	-
Inventories	15,185	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(140,688)	663,820
Accrued Compensated Absences	(9,757)	-
Total Adjustments	1,244,060	(286,977)
Net Cash Provided (Used) by Operating Activities	3,174,354	(751,896)

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

Developers Contribution of Distribution System	610,573	-
Accounts Payable Exchanged for Capital Assets	203,903	-

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

Cash and Equity in Pooled Investment Account	11,298,881	3,521,606
Restricted Cash - Current	439,492	-
Restricted Cash - Noncurrent	598,434	-
	\$ 12,336,807	\$ 3,521,606

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**September 30, 2019**

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
	<u>Employee Retirement Funds</u>	<u>Community Development Agency</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ -	\$ 587,188
Cash at County Treasurer	-	27,515
Guaranteed Insurance Contracts Managed by Trustee	14,324,976	-
Open Ended Mutual Funds Managed by Trustee	32,991,914	-
Taxes Receivable	-	14,024
<b>Total Current Assets</b>	<u>47,316,890</u>	<u>628,727</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Due to Bondholders	-	628,727
<b>Total Current Liabilities</b>	<u>-</u>	<u>628,727</u>
<b>NET POSITION</b>		
Restricted for Pensions	<u>\$ 47,316,890</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2019**

	<b>Pension Trust Funds Employee Retirement Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 997,502
Employee	1,164,578
	<hr/>
Total Contributions	2,162,080
	<hr/>
Investment Income:	
Interest, Dividends and Market Gain	1,560,940
	<hr/>
Total Additions	3,723,020
	<hr/>
<b>DEDUCTIONS</b>	
Pension Benefits	3,531,115
Contribution Refunds	106,612
Administrative Costs	5,075
	<hr/>
Total Deductions	3,642,802
	<hr/>
Net Increase	80,218
	<hr/>
Net Position -- Beginning of Period	47,236,672
	<hr/>
Net Position -- End of Period	\$ 47,316,890
	<hr/> <hr/>

See Accompanying Notes to Financial Statements

**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 and Recreation, Community Improvement and Development. It also provides municipal utility services including: water, sewer, solid waste and stormwater.

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). 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 accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Any discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Blended Component Units**

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 City has operational responsibility for the CDA. The CDA does not issue separate financial statements.

City of Norfolk Facilities Corporation (NFC)

In 2011 the City created the City of Norfolk Facilities Corporation, a not-for-profit corporation under the laws of the State of Nebraska, for the purpose of assisting and promoting the development of public facilities to be used by the City in the furtherance of its governmental functions. The governing body is appointed by the City's governing body. The NFC provides services entirely to the City. The services provided by the NFC are so intertwined with the City that it is in substance the same as the City and is reported as part of the City and blended in the City's financial statements. The NFC 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 landfill began operation on October 30, 1995. 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 309 North Fifth Street in Norfolk Nebraska.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Related Entities**

Norfolk Housing Agency

The Norfolk Housing Agency is governed by a seven member board which is appointed by the Mayor and City Council. The mission of the Norfolk Housing Agency is to provide decent, safe and quality housing to Norfolk's low to moderate-income families and to assist in providing improved housing in a responsible way with social awareness and community needs a constant goal and commitment. In addition to owning and operating the Kensington Apartments, Meadow Ridge Estates L.P., they also offer Section 8 Rental Assistance Program and Royal Oaks Estate rent-to-own homes. The Norfolk Housing Agency issues its own financial statements, which are available upon request from its offices at 108 North Fourth Street in Norfolk Nebraska.

Norfolk Airport Authority

The Norfolk Airport Authority is governed by a five member board. The amount of property tax that the Airport Authority can levy must be approved by the Mayor and City Council. The Norfolk Airport Authority issues its own financial statements, which are available upon request from its offices at 4100 South 13<sup>th</sup> Street in Norfolk Nebraska.

**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 primarily 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. Fiduciary funds are excluded from the government-wide financial statements.

In the government-wide Statement of Net Position, 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 obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. 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 and recreation, 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 position resulting from the current year activities.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 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 and recreation, public safety, public works, housing, public libraries and planning, permits and health.
- 2) Special Revenue Fund
  - City Highway Allocation Fund* – To account for the City's share of motor vehicle fuel tax revenues that are legally restricted to street expenditures.
- 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 Fund
  - Special Assessment Fund* – To account for the construction of infrastructure capital assets financed through the creation of special assessment districts.
  - Capital Construction Fund* – To account for the acquisition of capital assets financed primarily with transfers from the General Fund and bond proceeds.
  - Community Development Agency Fund* – To account for the construction of capital assets financed by the issuance of tax increment financing bonds by the Community Development Agency of the City of Norfolk.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund Types** – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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.

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.

Stormwater Division – The stormwater division accounts for compliance with federally mandated stormwater regulations to protect water quality.

- 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.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- 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 various blight and substandard areas around the City of Norfolk. 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 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2019, 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.
5. Governmental Fund Types – Contributions and grants for both capital and operating purposes are included in revenues when earned.
6. 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.
7. Inventories and Prepaid Items – 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.
8. 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.
9. Property and Equipment – Assets with an initial individual cost of \$5,000 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition 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

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

10. 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. Other long term obligations are recognized as fund liability when amounts are due and payable rather than when amounts are expected to be liquidated with expendable available financial resources. A liability is recognized for that portion of accumulating sickleave 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, 2019. The compensated absence liability attributable to governmental activities will be paid primarily by the General Fund.
11. 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. Other long-term obligations (e.g. compensated absences, claims and judgments, etc.) are recognized as fund liabilities when amounts are due and payable. Bond Anticipation Notes are recognized as fund liabilities prior to the long term financing being issued. The remaining portion of such obligations is reported in the government-wide financial statement. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in the combined utility fund.
12. Net Position/Fund Balances – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

*Net Investment in Capital Assets*- This category groups all capital assets, including Infrastructure, into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

*Restricted Net Position*- This category represents net position of the City with external restrictions imposed by creditors, grantors, contributors, or laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This category represents net position of the City not restricted for any purpose.

In 2011 the City of Norfolk implemented GASB 54 standards for the classification of fund balances in Governmental fund. The fund balances of governmental funds are defined as follows:

*Non-spendable* – amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact.

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes pursuant to ordinances adopted by formal action of the Mayor and Council. Amendments or modifications of the commitments must also be approved by ordinances adopted by the Mayor and Council.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes as determined by the City's Finance Officer or his or her designee. Resolution 2011-43 adopted by the Mayor and Council on October 31, 2011 authorizes the City's Finance Officer or his or her designee to determine assigned amounts. General Fund amounts that are encumbered by departments are classified as assigned.

*Unassigned* – all other amounts remaining after allocation to the non-spendable, restricted, committed and assigned fund balances. These amounts can be used for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to these purposes, it may be necessary to report a negative unassigned fund balance in that fund. When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

13. Bond Premium/Discounts – Bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method.
14. 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.
15. 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.
16. 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. See Note 11 for current year encumbrances.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**I. Recent Accounting Pronouncements:**

**Adoption of New Accounting Pronouncements**

During the year, the City adopted GASB Statement No. 83 *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption of this standard did not have a significant impact on the financial statements. The City also adopted Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements and it clarifies which liabilities should be included when disclosing information related to debt. See Note 7 for information about the City's direct placements of debt.

**New Accounting Pronouncements Not Yet Adopted**

In January 2017, GASB issued Statement No. 84 *Fiduciary Activities*: This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In August 2018, GASB issued Statement No. 90 *Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. These Statements are effective for the City's year ending September 30, 2020.

**NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT**

**A. Cash and Pooled Investments:**

At September 30, 2019, the City's cash and pooled investments consisted of the following:

Cash, principally in interest bearing accounts (at cost)	\$ 10,943,797
Money Market Account (at cost)	4,694,073
Certificates of Deposit (Cost = Fair Value)	25,000,000
United States Treasury (Cost, which approximates Fair Value)	2,497,791
	<u>\$ 43,135,661</u>

The City maintains a cash and investment pool for all funds, except the Community Development 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. A separate bank account is used

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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

to track program income in the Community Development Block Grant Fund. Statutes authorize the City to invest City 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, 2019 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.

At September 30, 2019, the City had the following US Treasury Obligations:

<u>US Treasury Obligations:</u>	<u>Maturity</u>	<u>Cost</u>
US Treasury Note	10/31/2019	\$ 2,497,791

**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, 2019, \$14,324,976 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, 2019, amounted to \$32,991,914.

**C. Restricted Assets:**

The following schedule details the restricted assets at September 30, 2019:

	<u>Enterprise Fund</u>
<b>Pursuant to revenue bond ordinances:</b>	
Revenue bond account	\$ 336,926
Operation and maintenance account	701,000
	<u>\$ 1,037,926</u>

Restricted cash is recorded at cost, which approximates fair value, and consists of equity in the pooled investment account in the form of 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.

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

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 3 – RECEIVABLES**

Receivables at September 30, 2019, are net of allowance for uncollectable. The allowance for uncollectable in the General Fund was \$342,000 at September 30, 2019.

**NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES**

As of September 30, 2019, there were no short-term interfund borrowings.

As of September 30, 2019, there were no long-term advances.

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance October 1, 2018	Additions	Deletions	Reclass	Balance September 30, 2019
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 8,952,822	\$ 18,815	\$ -	\$ -	\$ 8,971,637
Construction in Progress	2,081,030	8,351,833	1,111,142	-	9,321,721
Total capital assets not being depreciated	<u>11,033,852</u>	<u>8,370,648</u>	<u>1,111,142</u>	<u>-</u>	<u>18,293,358</u>
Capital assets being depreciated:					
Buildings and improvements	32,121,024	29,380	-	-	32,150,404
Equipment, furniture and fixtures	13,187,610	1,828,930	207,499	(31,334)	14,777,707
Infrastructure	58,522,486	1,115,352	393,970	-	59,243,868
Total capital assets being depreciated	<u>103,831,120</u>	<u>2,973,662</u>	<u>601,469</u>	<u>(31,334)</u>	<u>106,171,979</u>
Less: Accumulated Depreciation for:					
Buildings and improvements	9,170,776	988,559	-	-	10,159,335
Equipment, furniture and fixtures	8,508,928	836,229	190,934	(20,919)	9,133,304
Infrastructure	27,282,533	1,976,922	257,175	-	29,002,280
Total accumulated depreciation	<u>44,962,237</u>	<u>3,801,710</u>	<u>448,109</u>	<u>(20,919)</u>	<u>48,294,919</u>
Total capital assets being depreciated, net	<u>58,868,883</u>	<u>(828,048)</u>	<u>153,360</u>	<u>(10,415)</u>	<u>57,877,060</u>
Governmental activities capital assets, net	<u>\$ 69,902,735</u>	<u>\$ 7,542,600</u>	<u>\$ 1,264,502</u>	<u>\$ (10,415)</u>	<u>\$ 76,170,418</u>

Construction in progress at September 30, 2019 for the governmental activities consisted of costs associated with Street Improvements, Trail Projects, Radio Replacement, Paving and Sidewalk Districts, Park Improvements, Levee Repair and Victory Road Detention Cell.

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2019

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

	Balance October 1, 2018	Additions	Deletions	Reclass	Balance September 30, 2019
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,166,864	\$ 143,029	\$ -	\$ -	\$ 3,309,893
Construction in Progress	3,069,676	2,015,883	3,624,850	-	1,460,709
Total capital assets not being depreciated	<u>6,236,540</u>	<u>2,158,912</u>	<u>3,624,850</u>	<u>-</u>	<u>4,770,602</u>
Capital assets being depreciated:					
Buildings and improvements	26,364,050	160,295	117,343	-	26,407,002
Equipment, furniture and fixtures	33,907,090	1,077,426	440,017	31,334	34,575,833
Infrastructure	15,995,789	4,025,786	-	-	20,021,575
Total capital assets being depreciated	<u>76,266,929</u>	<u>5,263,507</u>	<u>557,360</u>	<u>31,334</u>	<u>81,004,410</u>
Less: Accumulated Depreciation for:					
Buildings and improvements	19,805,145	512,002	117,343	-	20,199,804
Equipment, furniture and fixtures	6,352,611	357,662	383,750	20,919	6,347,442
Infrastructure	3,460,121	493,000	-	-	3,953,121
Total accumulated depreciation	<u>29,617,877</u>	<u>1,362,664</u>	<u>501,093</u>	<u>20,919</u>	<u>30,500,367</u>
Total capital assets being depreciated, net	<u>46,649,052</u>	<u>3,900,843</u>	<u>56,267</u>	<u>10,415</u>	<u>50,504,043</u>
Business-type activities capital assets, net	<u>\$ 52,885,592</u>	<u>\$ 6,059,755</u>	<u>\$ 3,681,117</u>	<u>\$ 10,415</u>	<u>\$ 55,274,645</u>

Construction in progress at September 30, 2019 consisted of costs associated with the Communication Tower, Victory Road Water and Sewer Extensions, Northeast Industrial Water and Sewer Extensions, Hwy 275 Lift Station Upgrade, Braasch Ave Water and Sewer, and Solid Waste Transfer Station Site Improvements.

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

<b>Governmental Activities:</b>	
General Government	\$ 130,574
Public Safety	594,775
Public Works	1,884,678
Parks and Recreation	955,543
Public Library	230,692
Community Improvement and Development	5,448
Total depreciation expense - governmental activities	<u>\$ 3,801,710</u>
<b>Business-Type Activities:</b>	
Solid Waste Management	\$ 135,350
Water	587,048
Sewer	640,266
Total depreciation expense - business-type activities	<u>\$ 1,362,664</u>



City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

**Reconciliation of Invested in Capital Assets:**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Land	\$ 8,971,637	\$ 3,309,893
Construction in Progress	9,321,721	1,460,709
Capital Assets (Net of Accumulated Depreciation)	57,877,060	50,504,043
Deferred Refunding on Early Retirement of Debt	24,390	-
Unspent Bond Proceeds for Capital Assets	1,856,924	-
Less: General Obligation Bonds Payable	13,458,543	-
Various Purpose Bonds Payable	1,790,000	-
Bond Anticipation Notes	6,522,000	-
Revenue Bonds Payable	-	8,936,054
	<u>\$ 56,281,189</u>	<u>\$ 46,338,591</u>

**NOTE 6 – BOND ANTICIPATION NOTES**

Changes in bond anticipation notes for the period ended September 30, 2019 were as follows:

	<b>Balance October 1, 2018</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2019</b>	<b>Due Within One Year</b>
Governmental Activities:					
Bond Anticipation Notes 2.00% to 2.50%, various maturities through 2022	\$ 1,000,000	\$ 4,655,000	\$ -	\$ 5,655,000	\$ -
Notes from direct placements 2.47%, mature in 2021	867,000	-	-	867,000	-
Total Governmental Activities	<u>\$ 1,867,000</u>	<u>\$ 4,655,000</u>	<u>\$ -</u>	<u>\$ 6,522,000</u>	<u>\$ -</u>

Bond anticipation notes interest payments in 2020 will be \$143,018.

On December 20, 2018 the City issued \$1,850,000 special assessment bond anticipation note with a maturity of December 15, 2021 and an interest rate of 2.50%. This bond anticipation was to pay for improvements for Sewer Districts 250 & 251. On July 9, 2019 the City issued \$2,805,000 special assessment bond anticipation note with a maturity of July 1, 2022 and an interest rate of 2.00%. This bond anticipation was to pay for improvements for Paving Districts 513 & 515, Water Districts 121, 122 & 123, Sewer District 252 and Sidewalk District 2019-2.

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2019

**NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS**

	Balance October 1, 2018	Additions	Retirements	Balance September 30, 2019	Due Within One Year
Governmental Activities:					
General obligation bonds (excluding special assessment bonds) 1.45% to 3.75%, various maturities through 2038	\$ 9,770,000	\$ 2,290,000	\$ 1,380,000	\$ 10,680,000	\$ 1,550,000
General obligation direct placements 1.14% to 3.80%, various maturities through 2031	3,950,000	-	550,000	3,400,000	555,000
Bond issuance premium/discount	160,514	-	71,971	88,543	-
Total General Obligation	13,880,514	2,290,000	2,001,971	14,168,543	2,105,000
Special assessment bonds, with City commitment, 1.80% to 3.50%, various maturities through 2038	1,800,000	-	270,000	1,530,000	105,000
Special assessment direct placements, with City commitment, 1.14% to 1.99%, mature in 2026	295,000	-	35,000	260,000	35,000
Total Special Assessments	2,095,000	-	305,000	1,790,000	140,000
Accrued compensated absences	1,996,166	985,794	964,850	2,017,110	953,887
Total Governmental Activities	\$ 17,971,680	\$ 3,275,794	\$ 3,271,821	\$ 17,975,653	\$ 3,198,887
Business Type Activities:					
Revenue Bonds, 2.00% to 3.20%, various maturities through 2037	\$ 9,220,000	\$ -	\$ 330,000	\$ 8,890,000	\$ 370,000
Bond Issuance Premium/Discount	70,187	-	24,133	46,054	-
Total Revenue Bonds	9,290,187	-	354,133	8,936,054	370,000
Accrued compensated absences	330,959	139,415	149,172	321,202	149,474
Total Business Type Activities	\$ 9,621,146	\$ 139,415	\$ 503,305	\$ 9,257,256	\$ 519,474
Grand Total	\$ 27,592,826	\$ 3,415,209	\$ 3,775,126	\$ 27,232,909	\$ 3,718,361

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

Annual debt service requirements as of September 30, 2019 for general obligation debt, is as follows:

Fiscal Year Ending	Governmental Activities							
	General Obligation Debt		General Obligation Direct Placements		Various Purpose Bonds		Various Purpose Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,550,000	\$ 236,880	\$ 555,000	\$ 91,629	\$ 105,000	\$ 43,845	\$ 35,000	\$ 4,119
2021	1,550,000	192,907	570,000	76,294	110,000	41,873	35,000	3,720
2022	1,660,000	154,820	210,000	58,776	115,000	39,587	35,000	3,269
2023	1,660,000	121,583	220,000	54,536	60,000	37,057	35,000	2,765
2024	1,720,000	88,058	225,000	49,710	60,000	35,677	40,000	2,208
2025	245,000	68,338	225,000	44,492	65,000	34,237	40,000	1,532
2026	255,000	63,112	235,000	38,896	65,000	32,580	40,000	796
2027	255,000	57,287	240,000	32,780	65,000	30,858	-	-
2028	260,000	51,285	245,000	26,154	70,000	29,070	-	-
2029	275,000	44,787	255,000	19,096	70,000	27,075	-	-
2030	255,000	38,140	260,000	11,465	75,000	24,975	-	-
2031	260,000	31,595	160,000	5,084	75,000	22,688	-	-
2032	270,000	24,575	-	-	75,000	20,363	-	-
2033	70,000	17,030	-	-	80,000	18,000	-	-
2034	75,000	14,615	-	-	80,000	15,400	-	-
2035	75,000	11,840	-	-	85,000	12,600	-	-
2036	80,000	9,065	-	-	90,000	9,625	-	-
2037	80,000	6,105	-	-	90,000	6,475	-	-
2038	85,000	3,145	-	-	95,000	3,325	-	-
	<u>\$ 10,680,000</u>	<u>\$ 1,235,167</u>	<u>\$ 3,400,000</u>	<u>\$ 508,912</u>	<u>\$ 1,530,000</u>	<u>\$ 485,310</u>	<u>\$ 260,000</u>	<u>\$ 18,409</u>

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2019

**NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

Annual debt service requirements as of September 30, 2019 for enterprise fund debt, is as follows:

Fiscal Year Ending	Business Type Activities	
	Enterprise	
	Principal	Interest
2020	\$ 370,000	\$ 232,152
2021	380,000	220,902
2022	395,000	209,277
2023	405,000	199,302
2024	415,000	191,103
2025	420,000	182,753
2026	430,000	174,253
2027	440,000	165,443
2028	450,000	155,983
2029	455,000	145,686
2030	470,000	134,465
2031	480,000	122,290
2032	495,000	108,565
2033	505,000	93,565
2034	525,000	78,115
2035	540,000	62,140
2036	555,000	45,438
2037	570,000	27,858
2038	590,000	9,440
	<u>\$ 8,890,000</u>	<u>\$ 2,558,730</u>

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. 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 \$9.22 million in Sewer bonds issued in November 2017. The bonds are paid solely from utility revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require less than 6% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$11,448,730. Principal and interest paid for the current year was \$572,654 and total customer net revenues were \$3,538,889.

On November 2, 2010 the voters of City of Norfolk approved the issuance of \$16.4 million general obligation bonds to fund baseball, football, and swimming improvements at Veterans Memorial Park and Ta-ha-zouka Park. To pay debt service on the bonds, the Council passed an ordinance to enact a 2% occupation tax on prepared food and beverages and a 4% occupation tax on lodging effective February 1, 2011. On January 12, 2016 the City called the above bonds, and paid off the bonds with the longest maturity with \$2 million of accumulated occupation tax revenues and issued \$9,420,000 of refunding bonds. The total principal and interest remaining to be paid on the bonds is \$7,280,500. Principal and interest paid for the current year and total occupation tax revenues were \$1,473,350 and \$2,051,287 respectively.

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 7 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

The City of Norfolk Facilities Corporation (NFC) issued \$1,900,000 of building bonds on September 30, 2011 to purchase a building to be used as the City administration office. The City has entered into a Lease Purchase Agreement with the NFC. The terms of the agreement require the City to make lease payments to the NFC in an amount equal to debt service on the bonds until September 15, 2031, the date of final maturity of the bonds. Upon final payment of all lease-purchase obligations the building will be conveyed to the City. On January 10, 2017 the City of Norfolk called the above bonds and issued \$1,520,000 of refunding bonds. Principal and interest paid for the current year is \$129,095.

The City of Norfolk issued \$2,365,000 of economic development bonds on June 4, 2014 to provide funding for construction of a natural gas pipeline to Norfolk from the east, connecting to the Northern Natural Gas interstate near Bancroft. The bonds will be paid from property tax collected from the City's LB 840 economic development program approved by Norfolk's citizens at the May 2010 primary election. The total principal and interest remaining to be paid on the bonds is \$749,435. Principal and interest for the current year and property tax and related revenue were \$381,450 and \$422,613 respectively.

The City issued \$2,290,000 public safety bonds on September 10, 2019 to fund radios, radio system, defibrillators, aerial fire apparatus, police in-car video camera upgrade and ambulance. The interest rates on the bonds range from 1.45% to 2.60% with a final maturity date of September 15, 2032.

**NOTE 8 – TRANSFERS**

The following is a summary of transfers between funds:

	Transfers out:				Total
	Governmental Funds		Proprietary Funds		
	General	CHAF	Nonmajor Governmental	Solid Waste	
Transfers in:					
General	\$ -	\$415,000	\$ 185,000	\$ 19,000	\$ 619,000
Debt Service	129,095	-	-	-	129,095
Capital Construction	1,029,846	-	-	-	1,029,846
Nonmajor Governmental	203,029	-	-	-	203,029
<b>Total</b>	<b>\$ 1,361,970</b>	<b>\$415,000</b>	<b>\$ 185,000</b>	<b>\$ 19,000</b>	<b>\$ 1,980,970</b>

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.

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 9 – NET POSITION/FUND BALANCES**

The following schedule reflects all Fund Balances as presented in the Fund Level Statements:

	General	City Highway Allocation	Debt Service	Capital Construction	Special Assessments	Community Development Agency	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Fuel Inventory	\$ 19,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,423
Prepaid Items	34,462	-	-	-	-	-	27,458	61,920
<b>Restricted For:</b>								
Road Projects	-	4,290,994	-	-	-	-	-	4,290,994
Flood Control Projects	-	-	-	532,373	-	-	-	532,373
Vehicle Parking	-	-	-	-	-	-	105,112	105,112
Hazardous Materials	29,970	-	-	-	-	-	-	29,970
W W II Memorial	5,656	-	-	-	-	-	-	5,656
Library Renovations	-	-	-	204,598	-	-	-	204,598
Grant Programs	-	-	-	-	-	-	746,431	746,431
911 Operations	-	-	-	-	-	-	464,082	464,082
Recreation Projects	-	-	-	115,019	-	-	-	115,019
Drug Enforcement	-	-	-	-	-	-	272,379	272,379
Community Betterment	-	-	-	-	-	386,578	842,874	1,229,452
Public Safety Equipment	-	-	-	893,937	-	-	-	893,937
Debt Service	-	-	3,347,667	-	-	-	-	3,347,667
<b>Committed For:</b>								
2016 Rec. Bond Debt	-	-	2,727,215	-	-	-	-	2,727,215
<b>Assigned to:</b>								
Capital Improvements	-	-	-	1,387,471	-	-	-	1,387,471
Public Safety	102,876	-	-	-	-	-	-	102,876
Public Works	28,384	-	-	-	-	-	-	28,384
Community Betterment	-	-	-	1,698,410	-	-	-	1,698,410
Council Priority Projects	-	-	-	327,406	-	-	-	327,406
<b>Unassigned:</b>	9,938,855	-	-	-	(6,212,438)	-	-	3,726,417
<b>Total</b>	<b>\$ 10,159,626</b>	<b>\$ 4,290,994</b>	<b>\$ 6,074,882</b>	<b>\$ 5,159,214</b>	<b>\$ (6,212,438)</b>	<b>\$ 386,578</b>	<b>\$ 2,458,336</b>	<b>\$ 22,317,192</b>

**NOTE 10 - 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. 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. Nonemployee directed investments are directed by the City Council, whose policy is to direct them to guaranteed insurance accounts. 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. Forfeitures of non-vested employer contributions are used to pay for administrative costs. If forfeitures are insufficient, costs are financed through investment earnings. 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. Publicly issued financial reports are not available for any

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 10 – EMPLOYEE PENSION PLANS (CONTINUED)**

of the pension plans nor are they included in the report of a public employee retirement system or another government.

The Firemen’s Retirement System has minimum benefit guarantees for participants employed prior to January 1, 1984. With only 6 members employed prior to January 1, 1984, all of which are inactive, it would be misleading to report the entire plan as a defined benefit plan. Therefore, the portion of the plan for members employed prior to January 1, 1984 having minimum benefit guarantees is reported as a defined benefit plan and the portion for members employed on or after January 1, 1984 is reported as a defined contribution plan.

**Defined Contribution Pension Plans**

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 7% of the employee’s compensation, pursuant to plan provisions as established by City ordinance. Employee contributions totaled \$850,784, and the City recognized pension expense of \$534,007.

The Police Retirement System, a single employer defined contribution plan, covers all regular uniformed employees of the Norfolk Police Division, as required by State statutes and City ordinances. State statutes require police officers contribute 7% of compensation to the plan. The City matches employee contributions, up to 7% of compensation. Employee contributions totaled \$181,233, and the City recognized pension expense of \$181,233.

The Firemen’s Retirement System covers all regular uniformed employees of the Norfolk Fire Division, as required by State statutes and City ordinances. The Firemen’s Retirement Plan was changed, effective January 1, 1984, from a single employer defined benefit plan to a single employer defined contribution plan in which the City contributes twice the employees’ contribution, which is 6 1/2% of base pay. Employee contributions totaled \$132,561, and the City recognized pension expense of \$265,125.

Employees are fully vested in the amounts they contribute to the plan, together with the related earnings. Participants become fully vested in employer contributions and related earnings after seven years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures can be used to pay the pension plan’s administrative expenses. No forfeitures were used during the current year to reduce the City’s pension expense. Current membership is comprised of the following:

	<u>Civilian</u>	<u>Police</u>	<u>Fire</u>
Vested inactive plan members	41	17	4
Active plan members:			
Non-vested	16	7	5
Partially vested	31	4	4
Fully vested	93	28	21
Total membership	181	56	34

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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**NOTE 10 – EMPLOYEE PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan**

For participants in the Firemen's Retirement System employed prior to January 1, 1984, retirement benefits shall not be less than 50% of final earnings, as defined. Because of the minimum benefit guarantees for participants employed prior to January 1, 1984, this portion of the Firemen's Retirement System is reported as a defined benefit plan.

Participants are fully vested in the amounts they contribute to the plan, together with the related earnings. Participants become fully vested in employer contributions and related earnings after seven years of service. Current membership is comprised of the following:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	<u>1</u>
Total participants	<u><u>6</u></u>

State statutes require a retirement committee be established for the Firemen's Retirement System to supervise the general operations of the Retirement System. The committee consists of six members, of which four members are selected by paid firefighters and two members are designated by the City Council. The City Council has designated the Human Resource Director and Finance Officer as ex-officio members. The retirement committee is responsible for establishing and amending investment policies related to investment options offered to employees in the plan.

Net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 entry age actuarial method for reporting and disclosure purposes. Any actuarial gains or losses are amortized in the current year, since there is no future working careers of covered participants remaining. The City annually contributes actuarially determined amounts in addition to any matching contributions. Significant actuarial assumptions include a 6% return on plan assets. Mortality rates are based on the 1994 Group Annuity Mortality-Static Table.

The long-term expected rate of return on pension plan investments is determined using a method in which best-estimate ranges of expected future rates of return are developed for each major asset class based on past performance. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the asset allocation percentage.



City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 10 – EMPLOYEE PENSION PLANS (CONTINUED)**

Expected real rates of return are determined by subtracting expected inflation from expected rates of return. Expected real rates of return for each major asset class and asset allocation as of September 30, 2019 are as summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed Investment Account	100%	2.42%

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumes the City makes any actuarial required contributions. Based on this assumption, the Firemen's Retirement System net position was projected to be available to make all projected future benefit payments of plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. There was no change in the discount rate from the prior year.

For the year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the net pension liability are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 10/1/18	\$ 1,556,286	\$ 1,539,149	\$ 17,137
Changes for the year:			
Service cost	17,137	-	17,137
Interest	54,092	-	54,092
Differences between expected and actual experience	(3,491)	-	(3,491)
Contributions-employer	-	17,137	(17,137)
Net investment income	-	42,840	(42,840)
Benefit payments, including refunds of employee contributions	(899,382)	(899,382)	-
Administrative expense	-	(185)	185
Net changes	(831,644)	(839,590)	7,946
Balances at 9/30/19	<u>\$ 724,642</u>	<u>\$ 699,559</u>	<u>\$ 25,083</u>

Plan fiduciary net position as a percentage of the total pension liability    97%

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 10 – EMPLOYEE PENSION PLANS (CONTINUED)**

The following represents the net pension liability of the City, calculated using the discount rate of 6%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5%) or 1-percentage-point higher (7%) than the current rate:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
City's net pension liability (asset)	\$60,309	\$25,083	(\$5,980)

For the current year, the City recognized pension expense of \$26,996. The City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 24,390

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2020	\$ 10,245
2021	7,334
2022	4,561
2023	2,250

Multiyear trend information of the Firemen's Retirement System is presented as Required Supplementary Information following the Notes to the Financial Statements.

**NOTE 11 - 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, 2019.

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters is not expected to have a materially adverse effect on the financial condition of the City.

The city has entered into various contracts for street and other capital improvements. The remaining commitment under these contracts is \$8,042,094. \$21,349 will be paid from the General Fund, \$3,862,071 will be paid from the City Highway Allocation Fund, \$547,238 will be paid from Community Development Block Grant Fund, \$10,000 will be paid from Economic Development Operating Fund, \$687,750 will be paid from Capital Construction Fund and \$2,913,686 paid from Special Assessments. The City also entered into various contracts for Enterprise Fund Improvement Projects. The remaining commitment under these contracts is approximately \$948,367. \$53,468 will be paid by the Water Division, \$484,016 will be paid by the Sewer Division, \$396,027 will be paid out of Solid Waste Management Division and \$14,856 will be paid out of Stormwater Division.

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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**NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

In May 2011 the City entered into a Loan Agreement with the Norfolk Housing Agency (the Agency) in conjunction with the Agency issuing \$675,000 of Revenue and Refunding Bonds to refund existing debt and pay costs of improvements on the Kensington building. The debt is expected to be paid with revenues of the Agency; however, the City has agreed to lend to the Agency a sum of up to \$1,092,000 if the Agency's revenues are insufficient to pay principal and interest on the bonds. The maximum amount the Agency can draw in any fiscal year is \$53,850. Any amounts drawn by the Agency are due on September 30, 2031, the date of final maturity of the bonds.

As discussed in Note 1 encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$131,260
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**NOTE 12 - INDIVIDUAL FUND DISCLOSURES**

Certain information concerning individual funds is as follows:

- A.** The following fund had a deficit balance as of September 30, 2019:

Capital Project Fund	Special Assessment	(\$6,212,438)
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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 \$25,000 deductible on various water and sewage treatment and solid waste facilities. Scheduled values for related buildings and contents were \$63,599,697.

The City carries a blanket limit of 112.4 million.

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2019

**NOTE 12 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)**

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

CONDENSED STATEMENT OF NET POSITION

	Water Divison	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
<b>Assets:</b>					
Current assets	\$ 5,414,734	\$ 6,875,638	\$ 1,241,085	\$ 2,044	\$ 13,533,501
Restricted assets	205,000	221,434	172,000	-	598,434
Capital assets	27,992,059	25,904,886	1,377,700	-	55,274,645
Total assets	33,611,793	33,001,958	2,790,785	2,044	69,406,580
<b>Liabilities:</b>					
Current liabilities	161,608	804,202	130,706	-	1,096,516
Noncurrent liabilities	66,365	8,622,689	48,728	-	8,737,782
Total liabilities	227,973	9,426,891	179,434	-	9,834,298
<b>Net Position</b>					
Net Investment in Capital Assets	27,992,059	16,968,832	1,377,700	-	46,338,591
Restricted	205,000	591,434	172,000	-	968,434
Unrestricted	5,186,761	6,014,801	1,061,651	2,044	12,265,257
Total Net Position	\$ 33,383,820	\$ 23,575,067	\$ 2,611,351	\$ 2,044	\$ 59,572,282

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Operating revenues	\$ 2,872,595	\$ 4,678,468	\$ 2,352,630	\$ -	\$ 9,903,693
Depreciation and amortization	587,048	640,266	135,350	-	1,362,664
Other operating expenses	1,948,528	2,861,170	1,801,037	-	6,610,735
Operating Income	337,019	1,177,032	416,243	-	1,930,294
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental revenues	-	-	20,000	-	20,000
Interest on bonds and other debt	-	(215,626)	-	-	(215,626)
Interest income	97,834	128,893	19,068	136	245,931
Gain (Loss) on disposal of capital assets	(1,168)	(21,266)	11,374	-	(11,060)
Interfund transfers out	-	4,500	(11,917)	1,908	(5,509)
Contributions	274,121	592,077	-	-	866,198
Change in net position	707,806	1,665,610	454,768	2,044	2,830,228
Beginning net position	32,676,014	21,909,457	2,156,583	-	56,742,054
Ending net position	\$ 33,383,820	\$ 23,575,067	\$ 2,611,351	\$ 2,044	\$ 59,572,282

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 12 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)**

CONDENSED STATEMENT OF CASH FLOWS

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Net cash provided (used) by:					
Operating activities	\$ 1,027,225	\$ 1,648,093	\$ 499,036	\$ -	\$ 3,174,354
Noncapital financing activities	-	-	-	1,908	1,908
Capital and related financing activities	(1,371,521)	(2,534,577)	(263,364)	-	(4,169,462)
Investing activities	81,066	107,649	13,925	-	202,640
Net increase (decrease)	(263,230)	(778,835)	249,597	1,908	(790,560)
Beginning cash and cash equivalents	5,103,465	7,111,147	912,755	-	13,127,367
Ending cash and cash equivalents	\$ 4,840,235	\$ 6,332,312	\$ 1,162,352	\$ 1,908	\$ 12,336,807

Individual Fund Information for the Employee Retirement Funds follows:

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
ASSETS:					
Guaranteed Insurance Contracts	\$ 1,179,339	\$ 699,559	\$ 2,829,898	\$ 9,616,180	\$ 14,324,976
Open Ended Mutual Funds	6,246,105	-	7,081,775	19,664,034	32,991,914
Total Assets	7,425,444	699,559	9,911,673	29,280,214	47,316,890
NET POSITION:					
Held in Trust for Pension Benefits	7,425,444	699,559	9,911,673	29,280,214	47,316,890
Total Net Position	\$ 7,425,444	\$ 699,559	\$ 9,911,673	\$ 29,280,214	\$ 47,316,890

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

**NOTE 12 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)**

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 265,125	\$ 17,137	\$ 181,233	\$ 534,007	\$ 997,502
Employee	132,561	-	181,233	850,784	1,164,578
Total Contributions	397,686	17,137	362,466	1,384,791	2,162,080
Investment Income:					
Interest, Dividends and Market Gains	247,881	42,840	245,747	1,024,472	1,560,940
Total Additions	645,567	59,977	608,213	2,409,263	3,723,020
<b>DEDUCTIONS</b>					
Pension Benefits	447,588	899,382	1,076,790	1,107,355	3,531,115
Administration	1,226	185	887	2,777	5,075
Contribution Refunds	-	-	29,083	77,529	106,612
Total Deductions	448,814	899,567	1,106,760	1,187,661	3,642,802
Change in Net Position	196,753	(839,590)	(498,547)	1,221,602	80,218
Net Position-Beginning of Period	7,228,691	1,539,149	10,410,220	28,058,612	47,236,672
Net Position-End of Period	\$ 7,425,444	\$ 699,559	\$ 9,911,673	\$ 29,280,214	\$ 47,316,890

**NOTE 13 - 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. Through an interlocal agreement, the City participates in the League Association of Risk Management (LARM), a public entity risk pool formed under the Intergovernmental Risk Management Act, *Neb. Rev. Stat. Sections 44-4301 et seq.*, to cover the risk of loss except for health and dental coverage, which is partially self-insured. The City pays an annual premium contribution to LARM for its insurance coverage membership in the insurance pool. LARM purchases reinsurance through commercial companies for claims in excess of \$350,000 in the annual aggregate for property, or in excess of \$300,000 per single loss for liability. Workers Compensation reinsurance covers claims in excess of \$750,000 for a single loss or an annual aggregate losses of \$5 million. The retentions meet the actuarially determined requirements of reducing the risk of assessments over premiums. The policy period is October 1, 2018 to September 30, 2019. 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

City of Norfolk, NEBRASKA  
Notes to Financial Statements  
September 30, 2019

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**NOTE 13 - RISK MANAGEMENT (CONTINUED)**

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, 2019 claims liability of \$553,275 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, 2019 and the year ending September 30, 2018 are:

	Beginning	Claims & Changes in Estimates	Claim Payments	Ending
2018	\$884,254	\$3,107,024	\$3,019,996	\$971,282
2019	\$971,282	\$2,949,245	\$3,417,182	\$503,345

**NOTE 14 – RELATED PARTY TRANSACTIONS**

As discussed in Note 1. A., the City, along with twenty-four other cities and counties in Northeast Nebraska, created the Northeast Nebraska Solid Waste Coalition (NNSWC). Waste from the City's transfer station is taken to the NNSWC. During the year, the City paid the NNSWC \$854,653 in garbage fees and at September 30, 2019, \$73,096 was due to the NNSWC. The City provides administrative services for the NNSWC. During the year \$40,957 was received from the NNSWC for administrative services. The City was reimbursed by the NNSWC \$12,576 for NNSWC expenses paid by the City and at September 30, 2019, \$4,676 was due from the NNSWC.

The Norfolk Housing Agency is fully staffed with City of Norfolk employees. In the current year the City was reimbursed \$103,280 for a portion of employees' salaries. The Housing Agency manages different properties and the City provides administrative services. During the year \$16,221 was received from the Housing Agency.

**NOTE 15 – TAX ABATEMENTS**

The State of Nebraska enters into tax abatement agreements with businesses under the Nebraska Advantage Act and the Employment and Investment Growth Act. These acts allow for refunds of sales tax paid on equipment or other taxable property purchased in connection with adding a certain number of jobs and dollar amount investment. For the fiscal year ending September 30, 2019 the City's sales tax revenues were reduced by \$3,039 under these tax abatement agreements.

**NOTE 16 – SUBSEQUENT EVENTS**

In March 2019 the region experienced record wide spread flooding. The City's levee system protected the City from major damage but the levee system sustained damage. The City will have significant future expenses related to the damaged levee system but a substantial portion will be reimbursed by FEMA.

## **REQUIRED SUPPLEMENTARY INFORMATION**



City of Norfolk, NEBRASKA  
Required Supplementary Information  
September 30, 2019

SCHEDULE OF CHANGES IN FIREMEN'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service cost	\$ 17,137	\$ 30,967	\$ 57,038	\$ 27,285	\$ 66,451	\$ 84,332
Interest	54,092	159,925	201,041	243,025	76,781	230,999
Differences between expected and actual experience	(3,491)	(14,448)	(39,200)	63,779	(89,509)	(39,513)
Benefit payments, including refunds of member contributions	(899,382)	(1,162,802)	(989,167)	(96,645)	(564,501)	(106,171)
<b>Net change in total pension liability</b>	(831,644)	(986,358)	(770,288)	237,444	(510,778)	169,647
<b>Total pension liability-beginning</b>	1,556,286	2,542,644	3,312,932	3,075,488	3,586,266	3,416,619
<b>Total pension liability-ending (a)</b>	<u>\$ 724,642</u>	<u>\$ 1,556,286</u>	<u>\$ 2,542,644</u>	<u>\$ 3,312,932</u>	<u>\$ 3,075,488</u>	<u>\$ 3,586,266</u>
<b>Plan fiduciary net position</b>						
Contributions-employer	\$ 17,137	\$ 24,254	\$ 39,284	\$ 48,190	\$ 51,220	\$ 66,996
Contributions-member	-	3,752	5,018	9,095	10,812	17,044
Net investment income	42,840	148,374	187,177	228,466	62,180	217,060
Benefit payments, including refunds of member contributions	(899,382)	(1,162,802)	(989,167)	(96,645)	(564,501)	(106,171)
Administrative expense	(185)	(323)	(101)	(829)	(490)	(500)
<b>Net change in plan fiduciary net position</b>	(839,590)	(986,745)	(757,789)	188,277	(440,779)	194,429
<b>Plan fiduciary net position-beginning</b>	1,539,149	2,525,894	3,283,683	3,095,406	3,536,185	3,341,756
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 699,559</u>	<u>\$ 1,539,149</u>	<u>\$ 2,525,894</u>	<u>\$ 3,283,683</u>	<u>\$ 3,095,406</u>	<u>\$ 3,536,185</u>
<b>Firemen's net pension liability (asset)-ending (a) - (b)</b>	<u>\$ 25,083</u>	<u>\$ 17,137</u>	<u>\$ 16,750</u>	<u>\$ 29,249</u>	<u>\$ (19,918)</u>	<u>\$ 50,081</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	97%	99%	99%	99%	101%	99%
<b>Covered payroll</b>	\$ -	\$ 57,722	\$ 77,194	\$ 139,920	\$ 166,340	\$ 262,224
<b>City's net pension liability (asset) as a percentage of covered payroll</b>	-	30%	22%	21%	(12%)	19%

This schedule is being built prospectively until it contains ten years of data.  
Data for fiscal years 2010 to 2013 are unavailable.

City of Norfolk, NEBRASKA  
 Required Supplementary Information  
 September 30, 2019

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SCHEDULE OF FIREMEN'S CONTRIBUTIONS  
 LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 17,137	\$ 16,750	\$ 29,249	\$ -	\$ 29,596	\$ 32,906	\$ 39,593	\$ 26,382	\$ 18,604	\$ 14,794
Contributions in relation to the actuarially determined contribution	17,137	16,750	29,249	30,000	29,596	32,906	39,593	26,382	18,604	14,794
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (30,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ 57,722	\$ 77,194	\$ 139,920	\$ 166,340	\$ 262,224	\$ 258,540	\$ 252,300	\$ 351,108	\$ 366,036
Contributions as a percentage of covered payroll	-	29%	38%	21%	18%	13%	15%	10%	5%	4%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Inflation	3%
Salary increases	4%, including inflation
Investment rate of return	6%, net of pension plan expense, including inflation, except for fiscal year 2011, which was 7%
Withdrawal	Advanced Pension Table Handbook, Turnover Scale W-70
Mortality	1994 Group Annuity Mortality-Static

City of Norfolk, NEBRASKA  
Required Supplementary Information  
September 30, 2019

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SCHEDULE OF FIRE INVESTMENT RETURNS  
LAST 10 FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.11%	6.56%	7.32%	7.32%	1.90%	6.56%

This schedule is being built prospectively until it contains ten years of data.  
Data for fiscal years 2010 to 2013 are unavailable.

**CITY OF NORFOLK, NEBRASKA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET**  
**AND ACTUAL, GENERAL FUND - BUDGETARY BASIS**  
**For the Year Ended September 30, 2019**

	<b>General Fund</b>		
	<b>Budgeted Original &amp; Final</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenue:			
Taxes	\$ 11,592,480	\$ 11,618,209	\$ 25,729
Special Assessments	-	621	621
Licenses and Permits	279,075	431,520	152,445
Intergovernmental Revenue	447,575	675,007	227,432
Nongovernmental Grants	-	71,265	71,265
Charges for Services	2,290,732	2,214,889	(75,843)
Occupation and Franchise Taxes	628,200	722,132	93,932
Payments in Lieu of Taxes	140,000	167,728	27,728
Contributions	1,500	28,943	27,443
Rental Income	4,581,594	5,609,075	1,027,481
Interest	62,400	105,488	43,088
Keno Revenue	628,000	619,118	(8,882)
Miscellaneous	96,000	165,147	69,147
Total Revenue	<u>20,747,556</u>	<u>22,429,142</u>	<u>1,681,586</u>
Current Expenditures:			
Public Safety	10,164,931	9,726,747	438,184
Public Works	3,866,018	3,447,008	419,010
Public Library	1,636,250	1,535,044	101,206
Parks and Recreation	2,524,352	2,251,336	273,016
Community Improvement and Development	1,255,648	1,083,481	172,167
General Government	2,590,072	2,452,697	137,375
Total Expenditures	<u>22,037,271</u>	<u>20,496,313</u>	<u>1,540,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,289,715)</u>	<u>1,932,829</u>	<u>3,222,544</u>
Other Financing Sources (Uses):			
Insurance Proceeds	-	13,871	13,871
Transfers In	615,000	619,000	4,000
Transfers Out	(1,353,970)	(1,361,970)	(8,000)
Total other Financing Sources (Uses)	<u>(738,970)</u>	<u>(729,099)</u>	<u>9,871</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (2,028,685)</u>	<u>\$ 1,203,730</u>	<u>\$ 3,232,415</u>
Fund Balances-Beginning of Year		<u>6,467,806</u>	
Fund Balances- End of Year		<u>\$ 7,671,536</u>	

**CITY OF NORFOLK, NEBRASKA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET**  
**AND ACTUAL, MAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS**  
**For the Year Ended September 30, 2019**

	<b>City Highway Allocation Fund</b>		
	<b>Budgeted Original &amp; Final</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenue:			
Intergovernmental Revenue	\$ 3,176,000	\$ 3,403,351	\$ 227,351
Interest	9,100	68,591	59,491
Total Revenue	<u>3,185,100</u>	<u>3,471,942</u>	<u>286,842</u>
Current Expenditures:			
Public Works	2,175,000	2,702,875	(527,875)
Total Expenditures	<u>2,175,000</u>	<u>2,702,875</u>	<u>(527,875)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,010,100</u>	<u>769,067</u>	<u>(241,033)</u>
Other Financing Sources (Uses):			
Transfers Out	(415,000)	(415,000)	-
Total other Financing Sources (Uses)	<u>(415,000)</u>	<u>(415,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 595,100</u>	<u>\$ 354,067</u>	<u>\$ (241,033)</u>
Fund Balances-Beginning of Year		<u>4,080,026</u>	
Fund Balances- End of Year		<u>\$ 4,434,093</u>	

City of Norfolk, NEBRASKA  
Notes to Required Supplementary Information  
Budgetary Reporting  
September 30, 2019

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**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 during work sessions 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, the Community Development Agency and City of Norfolk Facilities Corporation (NFC) 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 assigned 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, 2019

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	General	City Highway Allocation Fund
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a budgetary basis	\$ 1,203,730	\$ 354,067
Basis differences:		
To adjust revenues from recognition on a cash basis	(528,843)	43,277
To adjust total expenditures from a recognition on a cash basis	124,027	56,773

Excess of revenues and other financial sources over expenditures and other financial uses, on a GAAP basis	\$ 798,914	\$ 454,117
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	Total Budgeted Governmental Funds	
Expenditures and other financing uses, on a budgetary basis	\$ (37,699,295)	
Basis differences:		
To adjust total expenditures from a recognition on a cash basis	103,305	

Expenditures and other financing uses, on a GAAP basis	\$ (37,595,990)	
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The following schedule demonstrates the City's legal compliance to the budget

Fund	Budget	Actual	Variance Over (Under) Budget
Governmental Funds Expenditures	\$44,958,028	\$37,699,295	\$(7,258,733)

## **SUPPLEMENTARY INFORMATION**



# GOVERNMENTAL NONMAJOR FUNDS

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**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 DEVELOPMENT BLOCK GRANT** - This fund is used 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.

**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 contributions from member cities, counties and Nebraska State Patrol to address the drug problem in a ten county area in Northeast Nebraska.

**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. Due to State budget cuts these grant funds are no longer available. September 30, 2019 this fund terminates and will be accounted for in an Enterprise fund and a stormwater fee will be charged to water and sewer customers to fund the federally mandated program.

**WIRELESS 911 FUND** – This fund was created pursuant to an agreement with the Nebraska Public Service Commission to track receipts from the State for wireless 911 taxes. The funds are used for equipment, software, maintenance, and any other expenditure necessary for the provision of wireless 911 service.

**LB840 ECONOMIC DEVELOPMENT FUND** – This fund is used to account for receipts from the levy of property taxes on real and personal property for the LB 840 economic development program. 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.

**ECONOMIC DEVELOPMENT OPERATING FUND** -- This fund was created to account for the operations of the Economic Development Fund. Madison County and the City of Norfolk both contribute equally to fund personnel costs, travel, and other necessary operating expenses relating to economic development.

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**September 30, 2019**

	<b>Special Revenue Funds</b>					
	<b>Vehicle Parking</b>	<b>Community Development Block Grant</b>	<b>911</b>	<b>SNARE</b>	<b>Region 11</b>	<b>Storm Water Management</b>
<b>Assets</b>						
Cash and Equity in Pooled Investment Account	\$ 98,782	\$ 529,708	\$ 13,501	\$ 271,301	\$ 219,657	\$ -
Cash at County Treasurer	11,958	-	-	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)						
Accounts	15	-	-	-	-	-
Taxes	6,360	-	36,126	-	-	-
Accrued Interest	609	2,909	367	1,842	1,656	-
Notes Receivable	12,343	979,363	-	-	-	-
Due from Other Governmental Agencies	-	97,690	-	-	9,474	-
Prepaid Assets	-	-	4,691	1,400	-	-
<b>Total Assets</b>	<b>130,067</b>	<b>1,609,670</b>	<b>54,685</b>	<b>274,543</b>	<b>230,787</b>	<b>-</b>
<b>Liabilities</b>						
Accounts Payable	9,083	114,458	95	764	205	-
<b>Total Liabilities</b>	<b>9,083</b>	<b>114,458</b>	<b>95</b>	<b>764</b>	<b>205</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue-Property Taxes	3,529	-	-	-	-	-
Unavailable Revenue-Loan Repayments	12,343	979,363	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>15,872</b>	<b>979,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Non Spendable	-	-	4,691	1,400	-	-
Restricted	105,112	515,849	49,899	272,379	230,582	-
<b>Total Fund Balances</b>	<b>105,112</b>	<b>515,849</b>	<b>54,590</b>	<b>273,779</b>	<b>230,582</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Equity</b>	<b>\$ 130,067</b>	<b>\$ 1,609,670</b>	<b>\$ 54,685</b>	<b>\$ 274,543</b>	<b>\$ 230,787</b>	<b>\$ -</b>

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**Governmental Nonmajor Funds**  
**September 30, 2019**

Special Revenue Funds				Total
Wireless 911	LB 840 Economic Development	Economic Development Operating	Governmental Nonmajor Funds	
\$ 411,708	\$ 515,432	\$ 226,814	\$	2,286,903
-	48,383	-	\$	60,341
-	-	-		15
-	53,798	-		96,284
2,939	3,888	2,696		16,906
-	-	-		991,706
-	-	-		107,164
21,367	-	-		27,458
<u>436,014</u>	<u>621,501</u>	<u>229,510</u>		<u>3,586,777</u>
464	-	368		125,437
464	-	368		125,437
-	7,769	-		11,298
-	-	-		991,706
-	7,769	-		1,003,004
21,367	-	-		27,458
414,183	613,732	229,142		2,430,878
435,550	613,732	229,142		2,458,336
<u>\$ 436,014</u>	<u>\$ 621,501</u>	<u>\$ 229,510</u>	<u>\$</u>	<u>3,586,777</u>

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended September 30, 2019**

	<b>Special Revenue Funds</b>					
	<b>Vehicle Parking</b>	<b>Community Development Block Grant</b>	<b>911</b>	<b>SNARE</b>	<b>Region 11</b>	<b>Storm Water Management</b>
<b>Revenue:</b>						
Taxes	\$ 89,900	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	6,106	517,139	-	29,400	120,642	-
Occupation & Franchise Taxes	-	-	193,259	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-	-
Rental Income	27,521	-	-	-	-	-
Loan Repayments	6,192	14,489	-	-	-	-
Interest	2,328	10,620	1,210	5,310	4,800	-
Miscellaneous	204	558	-	73,403	-	-
<b>Total Revenue</b>	<b>132,251</b>	<b>542,806</b>	<b>194,469</b>	<b>108,113</b>	<b>125,442</b>	<b>-</b>
<b>Expenditures:</b>						
Public Safety	-	-	6,869	38,817	143,956	-
Public Works	94,816	404,564	-	-	-	38,403
Parks and Recreation	-	61,303	-	-	-	-
Community Improvement and Development	-	186,489	-	-	-	-
Debt Service	20,729	-	-	-	-	-
<b>Total Expenditures</b>	<b>115,545</b>	<b>652,356</b>	<b>6,869</b>	<b>38,817</b>	<b>143,956</b>	<b>38,403</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>16,706</b>	<b>(109,550)</b>	<b>187,600</b>	<b>69,296</b>	<b>(18,514)</b>	<b>(38,403)</b>
<b>Other Financing Sources (Uses):</b>						
Transfers In	-	-	-	-	42,186	-
Transfers Out	-	-	(185,000)	-	-	(1,908)
<b>Total other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(185,000)</b>	<b>-</b>	<b>42,186</b>	<b>(1,908)</b>
<b>Net Change in Fund Balance</b>	<b>16,706</b>	<b>(109,550)</b>	<b>2,600</b>	<b>69,296</b>	<b>23,672</b>	<b>(40,311)</b>
<b>Fund Balances - Beginning of Year</b>	<b>88,406</b>	<b>625,399</b>	<b>51,990</b>	<b>204,483</b>	<b>206,910</b>	<b>40,311</b>
<b>Fund Balances - End of Year</b>	<b>\$ 105,112</b>	<b>\$ 515,849</b>	<b>\$ 54,590</b>	<b>\$ 273,779</b>	<b>\$ 230,582</b>	<b>\$ -</b>

**CITY OF NORFOLK, NEBRASKA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**

**Governmental Nonmajor Funds**

**For the Year Ended September 30, 2019**

Special Revenue Funds				
Wireless 911	LB 840 Economic Development	Economic Development Operating	Total Governmental Nonmajor Funds	
\$ -	\$ 366,536	\$ -	\$	456,436
95,776	34,314	160,843		964,220
-	-	-		193,259
-	21,763	-		21,763
-	-	-		27,521
-	-	-		20,681
8,458	10,933	7,602		51,261
-	-	-		74,165
104,234	433,546	168,445		1,809,306
29,019	-	-		218,661
-	-	-		537,783
-	-	-		61,303
-	-	354,055		540,544
-	381,450	-		402,179
29,019	381,450	354,055		1,760,470
75,215	52,096	(185,610)		48,836
-	-	160,843		203,029
-	-	-		(186,908)
-	-	160,843		16,121
75,215	52,096	(24,767)		64,957
360,335	561,636	253,909		2,393,379
\$ 435,550	\$ 613,732	\$ 229,142	\$	2,458,336

**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, 2019**

	Vehicle Parking			Community Development Block Grant Fund			SNARE		
	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)
Revenue:									
Taxes	\$ 99,155	\$ 91,504	\$ (7,651)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	270	6,106	5,836	2,424,045	499,205	(1,924,840)	36,900	29,400	(7,500)
Loan Repayments	5,316	6,192	876	13,000	15,283	2,283	-	-	-
Rental Income	27,740	27,196	(544)	-	-	-	-	-	-
Interest	1,878	1,938	60	3,900	9,328	5,428	-	4,180	4,180
Miscellaneous	-	204	204	-	558	558	-	73,403	73,403
Total Revenue	<u>134,359</u>	<u>133,140</u>	<u>(1,219)</u>	<u>2,440,945</u>	<u>524,374</u>	<u>(1,916,571)</u>	<u>36,900</u>	<u>106,983</u>	<u>70,083</u>
Current Expenditures:									
Public Safety	-	-	-	-	-	-	79,306	37,537	41,769
Public Works	102,308	91,282	11,026	514,000	386,049	127,951	-	-	-
Parks and Recreation	-	-	-	208,980	60,739	148,241	-	-	-
Community Improvement and Development	-	-	-	2,241,169	154,111	2,087,058	-	-	-
Debt Service	20,729	20,729	-	-	-	-	-	-	-
Total Expenditures	<u>123,037</u>	<u>112,011</u>	<u>11,026</u>	<u>2,964,149</u>	<u>600,899</u>	<u>2,363,250</u>	<u>79,306</u>	<u>37,537</u>	<u>41,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,322</u>	<u>21,129</u>	<u>9,807</u>	<u>(523,204)</u>	<u>(76,525)</u>	<u>446,679</u>	<u>(42,406)</u>	<u>69,446</u>	<u>111,852</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 11,322</u>	<u>\$ 21,129</u>	<u>\$ 9,807</u>	<u>\$ (523,204)</u>	<u>\$ (76,525)</u>	<u>\$ 446,679</u>	<u>\$ (42,406)</u>	<u>\$ 69,446</u>	<u>\$ 111,852</u>
Fund Balances-Beginning of Year		<u>89,611</u>			<u>606,233</u>			<u>201,855</u>	
Fund Balances- End of Year		<u>\$ 110,740</u>			<u>\$ 529,708</u>			<u>\$ 271,301</u>	

**CITY OF NORFOLK, NEBRASKA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET**  
**AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS (CONTINUED)**  
**For the Year Ended September 30, 2019**

	911			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)
Revenue:									
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ 131,118	\$ 123,006	\$ (8,112)	\$ -	\$ -	\$ -
Occupation and Franchise Taxes	205,000	196,833	(8,167)	-	-	-	-	-	-
Interest	250	1,034	784	2,900	3,869	969	200	271	71
Total Revenue	<u>205,250</u>	<u>197,867</u>	<u>(7,383)</u>	<u>134,018</u>	<u>126,875</u>	<u>(7,143)</u>	<u>200</u>	<u>271</u>	<u>71</u>
Current Expenditures:									
Public Safety	16,444	8,971	7,473	150,801	144,392	6,409	-	-	-
Public Works	-	-	-	-	-	-	20,406	38,106	(17,700)
Total Expenditures	<u>16,444</u>	<u>8,971</u>	<u>7,473</u>	<u>150,801</u>	<u>144,392</u>	<u>6,409</u>	<u>20,406</u>	<u>38,106</u>	<u>(17,700)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>188,806</u>	<u>188,896</u>	<u>90</u>	<u>(16,783)</u>	<u>(17,517)</u>	<u>(734)</u>	<u>(20,206)</u>	<u>(37,835)</u>	<u>(17,629)</u>
Other Financing Sources (Uses):									
Transfers In	-	-	-	42,186	42,186	-	-	-	-
Transfers Out	(200,000)	(185,000)	15,000	-	-	-	-	(1,908)	(1,908)
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(185,000)</u>	<u>15,000</u>	<u>42,186</u>	<u>42,186</u>	<u>-</u>	<u>-</u>	<u>(1,908)</u>	<u>(1,908)</u>
Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (11,194)</u>	<u>\$ 3,896</u>	<u>\$ 15,090</u>	<u>\$ 25,403</u>	<u>\$ 24,669</u>	<u>\$ (734)</u>	<u>\$ (20,206)</u>	<u>\$ (39,743)</u>	<u>\$ (19,537)</u>
Fund Balances-Beginning of Year		<u>9,605</u>			<u>194,988</u>			<u>39,743</u>	
Fund Balances- End of Year		<u>\$ 13,501</u>			<u>\$ 219,657</u>			<u>\$ -</u>	

**CITY OF NORFOLK, NEBRASKA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET**  
**AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS (CONTINUED)**  
**For the Year Ended September 30, 2019**

	Wireless 911			LB 840 Economic Development			Economic Development Operating		
	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)
Revenue:									
Taxes	\$ -	\$ -	\$ -	\$ 400,100	\$ 323,357	\$ (76,743)	\$ -	\$ -	\$ -
Intergovernmental Revenue	95,776	95,776	-	1,300	34,314	33,014	160,843	160,843	-
Payments in Lieu of Taxes	-	-	-	24,000	21,596	(2,404)	-	-	-
Nongovernmental Grants	-	-	-	-	-	-	50,000	-	(50,000)
Interest	4,400	6,723	2,323	7,000	8,901	1,901	2,900	5,753	2,853
Total Revenue	<u>100,176</u>	<u>102,499</u>	<u>2,323</u>	<u>432,400</u>	<u>388,168</u>	<u>(44,232)</u>	<u>213,743</u>	<u>166,596</u>	<u>(47,147)</u>
Current Expenditures:									
Public Safety	228,194	39,532	188,662	-	-	-	-	-	-
Community Improvement and Development	-	-	-	180,000	-	180,000	546,893	357,715	189,178
Debt Service	-	-	-	381,450	381,450	-	-	-	-
Total Expenditures	<u>228,194</u>	<u>39,532</u>	<u>188,662</u>	<u>561,450</u>	<u>381,450</u>	<u>180,000</u>	<u>546,893</u>	<u>357,715</u>	<u>189,178</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(128,018)</u>	<u>62,967</u>	<u>190,985</u>	<u>(129,050)</u>	<u>6,718</u>	<u>135,768</u>	<u>(333,150)</u>	<u>(191,119)</u>	<u>142,031</u>
Other Financing Sources:									
Transfers In	-	-	-	-	-	-	160,843	160,843	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,843</u>	<u>160,843</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (128,018)</u>	<u>\$ 62,967</u>	<u>\$ 190,985</u>	<u>\$ (129,050)</u>	<u>\$ 6,718</u>	<u>\$ 135,768</u>	<u>\$ (172,307)</u>	<u>\$ (30,276)</u>	<u>\$ 142,031</u>
Fund Balances-Beginning of Year		<u>348,741</u>			<u>557,097</u>			<u>257,090</u>	
Fund Balances- End of Year		<u>\$ 411,708</u>			<u>\$ 563,815</u>			<u>\$ 226,814</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, 2019**

	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:						
Intergovernmental Revenue	\$ 1,369,888	\$ 724,613	\$ (645,275)	\$ -	\$ -	\$ -
Contributions	25,000	62,176	37,176	-	-	-
Rental Income	12,000	9,575	(2,425)	-	-	-
Interest	25,000	61,670	36,670	616	30,765	30,149
Miscellaneous	-	5,940	5,940	-	-	-
Total Revenue	<u>1,431,888</u>	<u>863,974</u>	<u>(567,914)</u>	<u>616</u>	<u>30,765</u>	<u>30,149</u>
Expenditures:						
Public Safety	2,737,160	1,790,225	946,935	-	-	-
Public Works	2,083,140	761,315	1,321,825	4,350,619	4,798,684	(448,065)
Public Library	-	233,639	(233,639)	-	-	-
Parks and Recreation	2,072,040	607,438	1,464,602	-	-	-
Community Improvement and Development	300,000	300,000	-	-	-	-
General Government	-	1,438	(1,438)	-	-	-
Debt Service	-	-	-	119,598	64,946	54,652
Total Expenditures	<u>7,192,340</u>	<u>3,694,055</u>	<u>3,498,285</u>	<u>4,470,217</u>	<u>4,863,630</u>	<u>(393,413)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,760,452)</u>	<u>(2,830,081)</u>	<u>2,930,371</u>	<u>(4,469,601)</u>	<u>(4,832,865)</u>	<u>(363,264)</u>
Other Financing Sources:						
Proceeds from Debt Financing	2,375,000	2,290,000	(85,000)	4,430,000	4,655,000	225,000
Transfers In	1,181,846	1,029,846	(152,000)	-	-	-
Total Other Financing Sources	<u>3,556,846</u>	<u>3,319,846</u>	<u>(237,000)</u>	<u>4,430,000</u>	<u>4,655,000</u>	<u>225,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (2,203,606)</u>	<u>\$ 489,765</u>	<u>\$ 2,693,371</u>	<u>\$ (39,601)</u>	<u>\$ (177,865)</u>	<u>\$ (138,264)</u>
Fund Balances-Beginning of Year		<u>4,732,271</u>			<u>1,594,378</u>	
Fund Balances- End of Year		<u>\$ 5,222,036</u>			<u>\$ 1,416,513</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, 2019**

	<b>Debt Service</b>		
	<b>Budgeted Original &amp; Final</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenue:</b>			
Taxes	\$ 592,001	\$ 483,488	\$ (108,513)
Special Assessments	84,336	233,410	149,074
Intergovernmental Revenue	-	50,107	50,107
Occupation and Franchise Taxes	1,845,000	2,057,595	212,595
Payments in Lieu of Taxes	31,000	31,572	572
Interest	120,790	122,888	2,098
Total Revenue	<u>2,673,127</u>	<u>2,979,060</u>	<u>305,933</u>
<b>Current Expenditures:</b>			
Parks and Recreation	36,900	41,152	(4,252)
Debt Service	2,264,650	2,216,779	47,871
Total Expenditures	<u>2,301,550</u>	<u>2,257,931</u>	<u>43,619</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>371,577</u>	<u>721,129</u>	<u>349,552</u>
<b>Other Financing Sources:</b>			
Transfers In	129,095	129,095	-
Total Other Financing Sources	<u>129,095</u>	<u>129,095</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 500,672</u>	<u>\$ 850,224</u>	<u>\$ 349,552</u>
Fund Balances-Beginning of Year		<u>4,949,024</u>	
Fund Balances- End of Year		<u>\$ 5,799,248</u>	

## **BUSINESS TYPE ACTIVITIES**

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**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.

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

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION**  
**COMBINED UTILITIES**  
**For the Year Ended September 30, 2019**

<b>ASSETS</b>	<b>Water Division</b>	<b>Sewer Division</b>	<b>Solid Waste Management Division</b>	<b>Stormwater Division</b>	<b>Totals</b>
Current Assets:					
Cash and Equity in Pooled Investment Account	\$4,635,235	\$5,671,386	\$990,352	\$1,908	\$11,298,881
Receivables:					
Accounts	538,574	699,217	242,473	-	1,480,264
Special Assessments	2,183	18,326	-	-	20,509
Interest	35,885	47,217	8,260	136	91,498
Restricted Cash:					
Cash & Cash Equivalents	-	439,492	-	-	439,492
Inventories:					
Fiber Optic System Held for Resale	202,857	-	-	-	202,857
<b>Total Current Assets</b>	<b>5,414,734</b>	<b>6,875,638</b>	<b>1,241,085</b>	<b>2,044</b>	<b>13,533,501</b>
Noncurrent Assets:					
Restricted Assets:					
Restricted Cash	205,000	221,434	172,000	-	598,434
Property, Plant and Equipment:					
Land	2,357,705	899,904	52,284	-	3,309,893
Water and Pollution Control Plant	9,636,308	15,865,751	968,819	-	26,470,878
Water Distribution and Sewage System	25,070,057	21,779,267	-	-	46,849,324
Equipment	1,878,307	4,152,631	1,618,309	34,961	7,684,208
Construction in Progress	839,018	588,340	33,351	-	1,460,709
	39,781,395	43,285,893	2,672,763	34,961	85,775,012
Less Accumulated Depreciation	11,789,336	17,381,007	1,295,063	34,961	30,500,367
<b>Total Property, Plant and Equipment (Net of Accumulated Depreciation)</b>	<b>27,992,059</b>	<b>25,904,886</b>	<b>1,377,700</b>	<b>-</b>	<b>55,274,645</b>
<b>Total Noncurrent Assets</b>	<b>28,197,059</b>	<b>26,126,320</b>	<b>1,549,700</b>	<b>-</b>	<b>55,873,079</b>
<b>Total Assets</b>	<b>\$33,611,793</b>	<b>\$33,001,958</b>	<b>\$2,790,785</b>	<b>\$2,044</b>	<b>\$69,406,580</b>

(Continued)

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION (Continued)**  
**COMBINED UTILITIES**  
**For the Year Ended September 30, 2019**

<b>LIABILITIES AND EQUITY</b>	<b>Water Division</b>	<b>Sewer Division</b>	<b>Solid Waste Management Division</b>	<b>Stormwater Division</b>	<b>Totals</b>
<b>Current Liabilities:</b>					
Accounts and Contracts Payable	\$104,772	\$304,121	\$98,657	\$ -	\$507,550
Accrued Compensated Absences	56,836	60,589	32,049	-	149,474
<b>Payables from Restricted Assets:</b>					
Accrued Interest Payable	-	69,492	-	-	69,492
Revenue Bonds - Current	-	370,000	-	-	370,000
<b>Total Current Liabilities</b>	<b>161,608</b>	<b>804,202</b>	<b>130,706</b>	<b>-</b>	<b>1,096,516</b>
<b>Noncurrent Liabilities:</b>					
Revenue Bonds	-	8,566,054	-	-	8,566,054
Accrued Compensated Absences	66,365	56,635	48,728	-	171,728
<b>Total Noncurrent Liabilities</b>	<b>66,365</b>	<b>8,622,689</b>	<b>48,728</b>	<b>-</b>	<b>8,737,782</b>
<b>Total Liabilities</b>	<b>227,973</b>	<b>9,426,891</b>	<b>179,434</b>	<b>-</b>	<b>9,834,298</b>
<b>Net Position</b>					
Net Investment in Capital Assets	27,992,059	16,968,832	1,377,700	-	46,338,591
<b>Restricted for:</b>					
Debt Covenants	205,000	591,434	172,000	-	968,434
Unrestricted	5,186,761	6,014,801	1,061,651	2,044	12,265,257
<b>Total Net Position</b>	<b>\$ 33,383,820</b>	<b>\$ 23,575,067</b>	<b>\$ 2,611,351</b>	<b>\$ 2,044</b>	<b>\$ 59,572,282</b>

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING DEPARTMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**COMBINED UTILITIES**  
**For the Year Ended September 30, 2019**

	<b>Water Division</b>	<b>Sewer Division</b>	<b>Solid Waste Management Division</b>	<b>Stormwater Division</b>	<b>Totals</b>
<b>Operating Revenues:</b>					
User Charges	\$2,787,372	\$4,671,919	\$2,350,770	\$ -	\$9,810,061
Rental Income	66,317	4,400	-	-	70,717
Miscellaneous Income	18,906	2,149	1,860	-	22,915
Total Operating Revenues	<u>2,872,595</u>	<u>4,678,468</u>	<u>2,352,630</u>	<u>-</u>	<u>9,903,693</u>
<b>Operating Expenses:</b>					
Payroll and Related Taxes and Benefits	918,175	904,730	546,598	-	2,369,503
Utilities	245,359	411,859	26,482	-	683,700
Repairs and Maintenance	405,063	786,271	138,504	-	1,329,838
Purchased Services	-	-	862,487	-	862,487
General and Administration	379,931	758,310	226,966	-	1,365,207
Depreciation and Amortization	587,048	640,266	135,350	-	1,362,664
Total Operating Expenses	<u>2,535,576</u>	<u>3,501,436</u>	<u>1,936,387</u>	<u>-</u>	<u>7,973,399</u>
Operating Income	<u>337,019</u>	<u>1,177,032</u>	<u>416,243</u>	<u>-</u>	<u>1,930,294</u>
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental Revenue	-	-	20,000	-	20,000
Interest on Bonds and Other Debt	-	(215,626)	-	-	(215,626)
Interest Income	97,834	128,893	19,068	136	245,931
Interfund Transfers (Out) In	-	4,500	(11,917)	1,908	(5,509)
Gain (Loss) on Disposal of Capital Assets	(1,168)	(21,266)	11,374	-	(11,060)
Total Nonoperating Revenues (Expenses)	<u>96,666</u>	<u>(103,499)</u>	<u>38,525</u>	<u>2,044</u>	<u>33,736</u>
Income before Capital Contributions	<u>433,685</u>	<u>1,073,533</u>	<u>454,768</u>	<u>2,044</u>	<u>1,964,030</u>
Capital Contributions	<u>274,121</u>	<u>592,077</u>	<u>-</u>	<u>-</u>	<u>866,198</u>
Change in Net Position	<u>707,806</u>	<u>1,665,610</u>	<u>454,768</u>	<u>2,044</u>	<u>2,830,228</u>
Net Position - Beginning of Period	<u>32,676,014</u>	<u>21,909,457</u>	<u>2,156,583</u>	<u>-</u>	<u>56,742,054</u>
Net Position - End of Period	<u>\$33,383,820</u>	<u>\$23,575,067</u>	<u>\$2,611,351</u>	<u>\$2,044</u>	<u>\$59,572,282</u>

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS**  
**Combined Utilities**  
**For the Year Ended September 30, 2019**

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 2,937,191	\$ 4,650,429	\$ 2,332,729	\$ -	\$ 9,920,349
Cash Paid to Suppliers for Goods and Services	(999,794)	(2,077,470)	(1,289,471)	-	(4,366,735)
Cash Paid to Employees for Services	(910,172)	(924,866)	(544,222)	-	(2,379,260)
Net Cash Provided by Operating Activities	1,027,225	1,648,093	499,036	-	3,174,354
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers from Other Funds	-	-	-	1,908	1,908
Net Cash Provided by Noncapital Financing Activities	-	-	-	1,908	1,908
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and Construction of Capital Assets	(1,377,146)	(2,251,423)	(294,738)	-	(3,923,307)
Capital Grants and Contributions	5,625	250,000	20,000	-	275,625
Proceeds from Sales of Capital Assets	-	39,500	11,374	-	50,874
Principal Paid on Notes and Bonds	-	(330,000)	-	-	(330,000)
Interest Paid on Notes and Bonds	-	(242,654)	-	-	(242,654)
Net Cash (Used) for Capital and Related Financing Activities	(1,371,521)	(2,534,577)	(263,364)	-	(4,169,462)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and Dividends on Investments	81,066	107,649	13,925	-	202,640
Net Cash Provided for Investing Activities	81,066	107,649	13,925	-	202,640
Net Increase (Decrease) in Cash and Cash Equivalents	(263,230)	(778,835)	249,597	1,908	(790,560)
Cash and Cash Equivalents at Beginning of Year	5,103,465	7,111,147	912,755	-	13,127,367
Cash and Cash Equivalents at End of Year	\$ 4,840,235	\$ 6,332,312	\$ 1,162,352	\$ 1,908	\$ 12,336,807

(Continued)

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS (Continued)**  
**Combined Utilities**  
**For the Year Ended September 30, 2019**

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 337,019	\$ 1,177,032	\$ 416,243	\$ -	\$ 1,930,294
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	587,048	640,266	135,350	-	1,362,664
(Increase) Decrease in Assets:					
Accounts Receivable	64,596	(34,608)	(19,901)	-	10,087
Special Assessments	-	6,569	-	-	6,569
Inventories	15,185	-	-	-	15,185
Increase (Decrease) in Liabilities:					
Accounts and Contracts Payable	15,374	(121,030)	(35,032)	-	(140,688)
Accrued Compensated Absences	8,003	(20,136)	2,376	-	(9,757)
Total Adjustments	690,206	471,061	82,793	-	1,244,060
Net Cash Provided by Operating Activities	\$ 1,027,225	\$ 1,648,093	\$ 499,036	\$ -	\$ 3,174,354
Supplemental Schedule of Noncash Capital and Related Financing Activities:					
Developers Contribution of Distribution System	\$ 268,496	\$ 342,077	\$ -	\$ -	\$ 610,573
Accounts Payable Exchanged for Capital Assets	\$ 13,140	\$ 183,905	\$ 6,858	\$ -	\$ 203,903
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:					
Cash and Equity in Pooled Investment Account	\$ 4,635,235	\$ 5,671,386	\$ 990,352	\$ 1,908	\$ 11,298,881
Restricted Cash - Current	-	439,492	-	-	439,492
Restricted Cash - Noncurrent	205,000	221,434	172,000	-	598,434
	\$ 4,840,235	\$ 6,332,312	\$ 1,162,352	\$ 1,908	\$ 12,336,807



# FIDUCIARY FUNDS

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**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.

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## **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 various blight and substandard areas around the City of Norfolk. 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 POSITION**  
**Employee Retirement Funds**  
**For the Year Ended September 30, 2019**

	<b>Firemen's Defined Contribution Retirement Fund</b>	<b>Firemen's Defined Benefit Retirement Fund</b>	<b>Police Retirement Fund</b>	<b>Civilian Retirement Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Guaranteed Insurance Contracts	\$ 1,179,339	\$ 699,559	\$ 2,829,898	\$ 9,616,180	\$ 14,324,976
Open Ended Mutual Funds	6,246,105	-	7,081,775	19,664,034	32,991,914
<b>Total Assets</b>	<u>7,425,444</u>	<u>699,559</u>	<u>9,911,673</u>	<u>29,280,214</u>	<u>47,316,890</u>
<b>NET POSITION</b>					
Restricted for Pensions	7,425,444	699,559	9,911,673	29,280,214	47,316,890
<b>Total Net Position</b>	<u>\$ 7,425,444</u>	<u>\$ 699,559</u>	<u>\$ 9,911,673</u>	<u>\$ 29,280,214</u>	<u>\$ 47,316,890</u>

**CITY OF NORFOLK, NEBRASKA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**Employee Retirement Funds**  
**For the Year Ended September 30, 2019**

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	Total
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 265,125	\$ 17,137	\$ 181,233	\$ 534,007	\$ 997,502
Employee	132,561	-	181,233	850,784	1,164,578
<b>Total Contributions</b>	<b>397,686</b>	<b>17,137</b>	<b>362,466</b>	<b>1,384,791</b>	<b>2,162,080</b>
Investment Income:					
Interest, Dividends & Market Gains	247,881	42,840	245,747	1,024,472	1,560,940
<b>Total Additions</b>	<b>645,567</b>	<b>59,977</b>	<b>608,213</b>	<b>2,409,263</b>	<b>3,723,020</b>
<b>DEDUCTIONS</b>					
Pension Benefits	447,588	899,382	1,076,790	1,107,355	3,531,115
Contribution Refunds	-	-	29,083	77,529	106,612
Administration	1,226	185	887	2,777	5,075
<b>Total Deductions</b>	<b>448,814</b>	<b>899,567</b>	<b>1,106,760</b>	<b>1,187,661</b>	<b>3,642,802</b>
<b>Change in Net Position</b>	<b>196,753</b>	<b>(839,590)</b>	<b>(498,547)</b>	<b>1,221,602</b>	<b>80,218</b>
<b>Net Position -- Beginning of Period</b>	<b>7,228,691</b>	<b>1,539,149</b>	<b>10,410,220</b>	<b>28,058,612</b>	<b>47,236,672</b>
<b>Net Position -- End of Period</b>	<b>\$ 7,425,444</b>	<b>\$ 699,559</b>	<b>\$ 9,911,673</b>	<b>\$ 29,280,214</b>	<b>\$ 47,316,890</b>

**CITY OF NORFOLK, NEBRASKA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2019**

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019
<b><u>COMMUNITY DEVELOPMENT AGENCY</u></b>				
<u>Assets</u>				
Cash	\$ 572,584	\$ 140,093	\$ 125,489	\$ 587,188
Cash at County Treasurer	2,075	27,515	2,075	27,515
Taxes Receivable	-	14,024	-	14,024
	<hr/>			
Total Assets	\$ 574,659	\$ 181,632	\$ 127,564	\$ 628,727
<hr/>				
<u>Liabilities</u>				
Due to Bondholders	\$ 574,659	\$ 181,632	\$ 127,564	\$ 628,727
	<hr/>			
Total Liabilities	\$ 574,659	\$ 181,632	\$ 127,564	\$ 628,727
<hr/>				

# STATISTICAL SECTION

**CITY OF NORFOLK NEBRASKA**  
**STATISTICAL SECTION**  
**(Unaudited)**

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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 required 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>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Economic &amp; Demographic Information</b> These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.	16-17
<b>Operating Information</b> These tables contain service and infrastructure indicators that can inform one's 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 relevant year.

TABLE 1

**CITY OF NORFOLK, NEBRASKA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 56,281,189	\$ 55,056,983	\$ 50,736,098	\$ 40,610,264	\$ 39,859,311
Restricted for:					
Debt Service	3,221,437	2,879,341	2,575,381	2,310,289	2,056,725
Road Projects	4,290,994	3,836,877	2,922,144	4,315,636	3,038,500
Community Programs and Services	4,599,009	4,026,973	6,186,742	7,067,955	5,475,708
Unrestricted	17,489,903	16,251,003	14,983,957	16,820,853	17,893,551
<b>Total Governmental Activities Net Position</b>	<b>\$ 85,882,532</b>	<b>\$ 82,051,177</b>	<b>\$ 77,404,322</b>	<b>\$ 71,124,997</b>	<b>\$ 68,323,795</b>
<b>Business-Type Activities</b>					
Net Investment in Capital Assets	\$ 46,338,591	\$ 43,595,405	\$ 41,031,377	\$ 37,513,730	\$ 37,014,955
Restricted	968,434	847,638	1,841,627	2,609,219	2,480,450
Unrestricted	12,265,257	12,299,011	8,881,735	8,972,087	7,981,527
<b>Total Business-Type Activities Net Position</b>	<b>\$ 59,572,282</b>	<b>\$ 56,742,054</b>	<b>\$ 51,754,739</b>	<b>\$ 49,095,036</b>	<b>\$ 47,476,932</b>
<b>Primary Government:</b>					
Net Investment in Capital Assets	\$ 102,619,780	\$ 98,652,388	\$ 91,767,475	\$ 78,123,994	\$ 76,874,266
Restricted	13,079,874	11,590,829	13,525,894	16,303,099	13,051,383
Unrestricted	29,755,160	28,550,014	23,865,692	25,792,940	25,875,078
<b>Total Primary Government Net Position</b>	<b>\$ 145,454,814</b>	<b>\$ 138,793,231</b>	<b>\$ 129,159,061</b>	<b>\$ 120,220,033</b>	<b>\$ 115,800,727</b>

TABLE 1 (CONT.)

**CITY OF NORFOLK, NEBRASKA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$ 39,846,176	\$ 38,561,536	\$ 37,538,073	\$ 36,664,204	\$ 36,774,090
Restricted for:					
Debt Service	1,718,817	1,556,817	1,117,646	504,468	1,193,594
Road Projects	1,587,443	2,655,276	2,761,835	2,787,524	-
Community Programs and Services	3,284,448	2,654,437	2,469,929	1,869,768	-
Unrestricted	16,711,180	15,527,684	14,750,599	13,682,990	14,066,386
Total Governmental Activities Net Position	<u>\$ 63,148,064</u>	<u>\$ 60,955,750</u>	<u>\$ 58,638,082</u>	<u>\$ 55,508,954</u>	<u>\$ 52,034,070</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 36,984,047	\$ 33,609,113	\$ 33,789,528	\$ 33,161,053	\$ 29,797,795
Restricted	2,545,137	2,732,672	2,233,386	1,723,206	2,570,858
Unrestricted	6,344,841	7,773,246	6,559,493	5,251,421	6,555,425
Total Business-Type Activities Net Position	<u>\$ 45,874,025</u>	<u>\$ 44,115,031</u>	<u>\$ 42,582,407</u>	<u>\$ 40,135,680</u>	<u>\$ 38,924,078</u>
Primary Government:					
Net Investment in Capital Assets	\$ 76,830,223	\$ 72,170,649	\$ 71,327,601	\$ 69,825,257	\$ 66,571,885
Restricted	9,135,845	9,599,202	8,582,796	6,884,966	2,570,858
Unrestricted	23,056,021	23,300,930	21,310,092	18,934,411	20,621,811
Total Primary Government Net Position	<u>\$ 109,022,089</u>	<u>\$ 105,070,781</u>	<u>\$ 101,220,489</u>	<u>\$ 95,644,634</u>	<u>\$ 89,764,554</u>



**CITY OF NORFOLK, NEBRASKA**  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 2,956,350	\$ 2,977,504	\$ 3,311,385	\$ 2,462,887	\$ 2,622,419	\$ 2,552,931	\$ 1,851,020	\$ 2,434,382	\$ 1,660,197	\$ 2,940,797
Public Safety	10,300,692	10,427,387	10,152,789	10,133,933	9,111,824	8,912,927	8,750,908	8,507,028	8,473,093	8,137,286
Public Works	7,614,440	7,353,230	4,949,525	5,494,622	5,279,551	7,114,441	6,282,178	5,426,164	6,877,940	5,477,606
Public Library	1,804,884	2,233,538	1,478,371	1,461,349	1,386,198	1,409,728	1,308,791	1,258,780	1,203,191	1,163,623
Parks and Recreation	3,334,945	3,180,516	2,970,064	3,354,612	2,927,345	2,674,471	3,012,478	2,176,083	1,468,214	1,599,713
Community Improvement & Development	5,826,934	3,182,386	1,035,861	4,217,807	1,213,129	994,906	1,199,963	825,295	686,717	1,287,249
Debt Service	398,001	344,297	323,382	454,900	673,579	626,377	673,495	699,623	565,025	218,415
Total Governmental Activities Expenses	32,236,246	29,698,858	24,221,377	27,580,110	23,214,045	24,285,781	23,078,833	21,327,355	20,934,377	20,824,689
Business-Type Activities										
Water Division	2,535,576	2,345,132	2,269,164	2,294,958	2,102,160	2,386,409	2,448,790	2,078,471	1,990,118	1,977,520
Sewer Division	3,738,328	3,790,662	3,168,511	3,293,531	3,075,988	2,770,537	2,999,679	2,709,764	2,644,975	2,696,190
Solid Waste Division	1,936,387	1,960,849	1,830,369	1,763,283	1,763,897	1,739,883	1,593,608	1,659,361	1,649,899	1,668,167
Stormwater Division	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	8,210,291	8,096,643	7,268,044	7,351,772	6,942,045	6,896,829	7,042,077	6,447,596	6,284,992	6,341,877
Total Primary Government Expenses	\$ 40,446,537	\$ 37,795,501	\$ 31,489,421	\$ 34,931,882	\$ 30,156,090	\$ 31,182,610	\$ 30,120,910	\$ 27,774,951	\$ 27,219,369	\$ 27,166,566
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	\$ 846,121	\$ 774,415	\$ 675,443	\$ 550,560	\$ 493,501	\$ 514,625	\$ 544,417	\$ 484,150	\$ 482,968	\$ 386,342
Public Safety	818,625	1,270,763	1,175,687	1,104,698	1,110,300	1,098,611	1,013,391	965,103	978,401	922,686
Public Works	105,214	127,618	141,147	100,707	110,592	124,738	113,369	182,375	109,797	122,459
Public Library	27,542	21,943	27,119	29,056	30,326	28,627	25,820	27,149	26,970	24,134
Parks and Recreation	490,329	463,339	493,930	495,207	462,350	446,982	445,399	471,172	113,352	139,042
Community Improvement and Development	497,526	113,810	102,647	113,526	98,601	80,000	120,000	120,000	120,000	115,146
Operating Grants & Contributions	8,463,834	6,103,919	4,159,685	3,700,589	4,148,833	3,894,437	3,602,142	3,285,816	3,315,948	3,124,585
Capital Grants & Contributions	2,124,055	4,709,685	980,028	1,656,522	458,660	531,933	880,045	530,453	1,723,050	337,404
Total Governmental Activities Program Revenues	13,373,246	13,585,492	7,755,686	7,750,865	6,913,163	6,719,953	6,744,583	6,066,218	6,870,486	5,171,798
Business-Type Activities:										
Charges for Services:										
Water Division	2,853,689	2,879,311	3,034,477	2,636,412	2,496,043	2,578,265	2,900,045	3,201,639	2,615,148	2,487,553
Sewer Division	4,676,320	4,469,366	4,353,195	3,947,187	3,518,523	3,755,613	3,740,332	3,562,527	3,120,580	2,838,860
Solid Waste	2,362,144	2,016,542	1,994,477	1,909,479	1,975,181	1,772,489	1,634,893	1,716,396	1,731,288	1,759,703
Stormwater Division	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	-	-	-	1,445	81,487	-	125,708	23,545	15,544	-
Capital Grants & Contributions	819,590	1,293,123	-	243,349	340,886	422,145	99,172	263,456	-	263,880
Total Business-Type Activities Program Revenues	10,711,743	10,658,342	9,382,149	8,737,872	8,412,120	8,528,512	8,500,150	8,767,563	7,482,560	7,349,996
Total Primary Government Program Revenues	\$ 24,084,989	\$ 24,243,834	\$ 17,137,835	\$ 16,488,737	\$ 15,325,283	\$ 15,248,465	\$ 15,244,733	\$ 14,833,781	\$ 14,353,046	\$ 12,521,794
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (18,863,000)	\$ (16,113,366)	\$ (16,465,691)	\$ (19,829,245)	\$ (16,300,882)	\$ (17,565,828)	\$ (16,334,250)	\$ (15,261,137)	\$ (14,063,891)	\$ (15,652,891)
Business-Type Activities	2,501,452	2,561,699	2,114,105	1,386,100	1,470,075	1,631,683	1,458,073	2,319,967	1,197,568	1,008,119
Total Primary Government Net Expense	\$ (16,361,548)	\$ (13,551,667)	\$ (14,351,586)	\$ (18,443,145)	\$ (14,830,807)	\$ (15,934,145)	\$ (14,876,177)	\$ (12,941,170)	\$ (12,866,323)	\$ (14,644,772)

(Continued)

**CITY OF NORFOLK, NEBRASKA**  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Revenues and Other Changes In Net Positions</b>										
Governmental Activities:										
Taxes:										
Property Tax	\$ 4,335,563	\$ 4,002,734	\$ 3,765,320	\$ 3,480,593	\$ 3,428,471	\$ 3,097,189	\$ 3,117,062	\$ 3,129,497	\$ 3,097,588	\$ 2,694,271
Sales Tax	8,744,704	9,796,242	10,677,614	10,614,793	9,358,568	8,035,671	7,081,725	7,629,397	7,072,877	6,919,663
Other Taxes	230,038	210,413	209,221	203,371	202,868	184,689	176,215	270,292	254,665	240,021
Occupational and Franchise Taxes	2,965,012	2,827,862	2,705,164	2,680,189	2,764,650	2,781,028	2,653,429	2,514,570	2,030,762	971,022
Interest	619,526	317,718	209,621	107,008	58,091	49,656	56,716	123,026	99,146	106,069
General Intergovernmental Revenues Unrestricted	429,545	409,242	398,194	372,186	365,627	276,969	394,575	124,392	295,309	289,270
Unrestricted Keno Revenues	621,592	642,534	584,717	552,493	611,740	572,632	547,095	494,447	432,584	359,060
General Revenue from Electrical Distribution System Lease/Use of Property	4,594,255	4,630,450	4,505,919	4,596,858	4,620,527	4,677,788	4,578,545	4,471,873	4,186,984	3,822,961
Revenue from Sale of Uncapitalized Property	5,940	35,000	56,219	17,097	74,113	42,511	55,625	14,162	17,747	57,219
Miscellaneous	208,110	120,658	92,345	109,622	55,506	40,009	57,054	32,379	51,113	153,345
Interfund Transfers	(59,930)	(2,232,632)	(459,318)	(103,763)	(13,467)	-	(66,125)	(158,646)	-	-
Total Governmental Activities	22,694,355	20,760,221	22,745,016	22,630,447	21,526,694	19,758,142	18,651,916	18,645,389	17,538,775	15,612,901
Business Type of Activities:										
Interest	245,931	170,004	64,418	27,278	11,899	13,699	8,428	18,008	14,034	66,938
Use of Property	-	-	-	82,022	84,919	81,422	-	-	-	-
Miscellaneous	22,915	22,980	21,859	18,944	22,547	32,190	-	-	-	-
Interfund Transfers	59,930	2,232,632	459,318	103,763	13,467	-	66,125	158,646	-	-
Total Business-Type Activities	328,776	2,425,616	545,595	232,007	132,832	127,311	74,553	176,654	14,034	66,938
Total Primary Government	\$ 23,023,131	\$ 23,185,837	\$ 23,290,611	\$ 22,862,454	\$ 21,659,526	\$ 19,885,453	\$ 18,726,469	\$ 18,822,043	\$ 17,552,809	\$ 15,679,839
<b>Change in Net Position</b>										
Governmental Activities	\$ 3,831,355	\$ 4,646,855	\$ 6,279,325	\$ 2,801,202	\$ 5,225,812	\$ 2,192,314	\$ 2,317,666	\$ 3,384,252	\$ 3,474,884	\$ (39,990)
Business-Type Activities	2,830,228	4,987,315	2,659,700	1,618,107	1,602,907	1,758,994	1,532,626	2,496,621	1,211,602	1,075,057
Total Primary Government	\$ 6,661,583	\$ 9,634,170	\$ 8,939,025	\$ 4,419,309	\$ 6,828,719	\$ 3,951,308	\$ 3,850,292	\$ 5,880,873	\$ 4,686,486	\$ 1,035,067

TABLE 3

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

	<b>Fiscal Year</b>				
	2019	2018	2017	2016	2015
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Non Spendable	53,885	38,468	34,735	41,535	22,742
Restricted	35,626	35,948	480,485	488,920	476,210
Committed	-	-	-	-	-
Unreserved	-	-	-	-	-
Assigned	131,260	28,484	13,770	-	31,941
Unassigned	9,938,855	9,257,812	8,287,694	8,420,582	8,816,995
<b>Total General Fund</b>	<b>\$ 10,159,626</b>	<b>\$ 9,360,712</b>	<b>\$ 8,816,684</b>	<b>\$ 8,951,037</b>	<b>\$ 9,347,888</b>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Non Spendable	27,458	16,052	17,950	16,687	15,128
Restricted	12,202,044	10,816,613	11,311,850	13,329,130	12,604,917
Committed	2,727,215	2,155,920	1,810,263	1,579,460	2,836,617
Unreserved, Reported in:					
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Assigned	3,413,287	2,934,958	2,639,506	2,494,115	2,697,595
Unassigned	(6,212,438)	(864,234)	(1,898,527)	(1,878,019)	(1,120,538)
<b>Total All Other Governmental Funds</b>	<b>\$ 12,157,566</b>	<b>\$ 15,059,309</b>	<b>\$ 13,881,042</b>	<b>\$ 15,541,373</b>	<b>\$ 17,033,719</b>
<b>Total Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Non Spendable	81,343	54,520	52,685	58,222	37,870
Restricted	12,237,670	10,852,561	11,792,335	13,818,050	13,081,127
Committed	2,727,215	2,155,920	1,810,263	1,579,460	2,836,617
Unreserved	-	-	-	-	-
Assigned	3,544,547	2,963,442	2,635,276	2,494,115	2,729,536
Unassigned	3,726,417	8,393,578	6,389,167	6,542,563	7,696,457
<b>Total Governmental Fund</b>	<b>\$ 22,317,192</b>	<b>\$ 24,420,021</b>	<b>\$ 22,679,726</b>	<b>\$ 24,492,410</b>	<b>\$ 26,381,607</b>

TABLE 3 (CONT.)

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

	<b>Fiscal Year</b>				
	2014	2013	2012	2011	2010
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 120,187
Non Spendable	37,154	27,097	42,528	51,342	-
Restricted	38,291	38,785	111,041	205,522	-
Committed	31,144	141,536	196,394	192,587	-
Unreserved	-	-	-	-	5,989,588
Assigned	10,044	138,401	1,934,062	1,848,271	-
Unassigned	8,003,963	7,151,157	5,438,679	5,008,200	-
<b>Total General Fund</b>	<u>\$ 8,120,596</u>	<u>\$ 7,496,976</u>	<u>\$ 7,722,704</u>	<u>\$ 7,305,922</u>	<u>6,109,775</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 1,943,994
Non Spendable	9,762	8,916	8,561	9,505	-
Restricted	9,088,635	7,136,685	6,974,935	15,196,509	-
Committed	2,952,632	1,973,057	1,436,837	809,108	-
Unreserved, Reported in:					
Special Revenue Funds	-	-	-	-	2,817,380
Capital Project Funds	-	-	-	-	737,259
Assigned	1,353,826	1,464,474	1,220,280	717,619	-
Unassigned	(44,361)	(43,090)	(300)	(269,619)	-
<b>Total All Other Governmental Funds</b>	<u>\$ 13,360,494</u>	<u>\$ 10,540,042</u>	<u>\$ 9,640,313</u>	<u>\$ 16,463,122</u>	<u>\$ 5,498,633</u>
<b>Total Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,064,181
Non Spendable	46,916	36,013	51,089	60,847	-
Restricted	9,126,926	7,175,470	7,085,976	15,402,031	-
Committed	2,983,776	2,114,593	1,633,231	1,001,695	-
Unreserved	-	-	-	-	9,544,227
Assigned	1,363,870	1,602,875	3,154,342	2,565,890	-
Unassigned	7,959,602	7,108,067	5,438,379	4,738,581	-
<b>Total Governmental Fund</b>	<u>\$ 21,481,090</u>	<u>\$ 18,037,018</u>	<u>\$ 17,363,017</u>	<u>\$ 23,769,044</u>	<u>\$ 11,608,408</u>

Table 4

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

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Revenues</b>					
Taxes	\$ 13,072,062	\$ 13,789,353	\$ 14,435,331	\$ 14,154,637	\$ 12,803,574
Special Assessments	234,032	655,903	194,862	478,529	184,987
Licenses & Permits	426,812	444,192	367,889	271,234	321,575
Intergovernmental Revenue	5,871,649	6,709,209	4,912,529	4,910,812	4,347,275
Nongovernmental Grants	71,265	134,940	50,000	50,000	-
Keno Revenue	621,592	642,534	584,717	552,493	611,740
Charges for Services	2,167,855	2,144,854	2,089,143	1,980,265	1,841,576
Occupation & Franchise Taxes	2,965,013	2,827,862	2,705,165	2,680,188	2,764,651
Contributions	91,081	137,269	436,499	17,661	204,577
Payments in Lieu of Taxes	222,567	207,684	209,221	203,371	202,867
Parking Fees and Rentals	4,654,615	4,677,817	4,535,554	4,596,859	4,620,528
Loan Repayments	20,681	31,428	71,501	156,428	570,883
Interest	537,578	259,251	179,142	94,744	51,653
Miscellaneous	251,518	179,725	190,118	147,949	314,105
<b>Total Revenue</b>	<b>31,208,320</b>	<b>32,842,021</b>	<b>30,961,671</b>	<b>30,295,170</b>	<b>28,839,991</b>
<b>Expenditures</b>					
General Government	2,437,532	2,443,110	2,612,548	2,473,293	2,575,062
Public Safety	11,609,441	10,167,136	9,987,194	10,209,750	10,019,243
Public Works	12,517,851	6,633,898	8,501,967	7,181,786	5,766,816
Public Library	1,576,692	5,954,475	5,137,451	1,718,799	1,334,676
Parks and Recreation	2,884,573	3,481,853	2,554,955	2,785,403	2,314,769
Community Improvement & Development	6,132,869	3,334,776	1,091,316	4,449,547	1,265,759
Debt Service					
Principal Retirement	2,235,000	2,155,000	3,960,000	13,535,000	1,695,000
Interest	448,904	389,154	443,424	595,287	667,145
Capital Outlay	-	-	-	-	-
<b>Total Expenditure</b>	<b>39,842,862</b>	<b>34,559,402</b>	<b>34,288,855</b>	<b>42,948,865</b>	<b>25,638,470</b>
Excess (Deficiency) of Revenues over expenditures	<b>(8,634,542)</b>	<b>(1,717,381)</b>	<b>(3,327,184)</b>	<b>(12,653,695)</b>	<b>3,201,521</b>
<b>Other Financing Sources (Uses)</b>					
Insurance Proceeds	13,871	24,676	-	20,885	218,996
Issuance of TIF Proceeds	4,210,750	-	-	-	-
Issuance of Debt	2,290,000	3,415,000	-	870,000	1,480,000
Premium on Bonds	-	-	-	453,613	-
Bonds Refunded	-	-	1,520,000	9,420,000	-
Transfers In	1,980,970	4,338,194	4,754,981	4,825,719	2,765,647
Transfers Out	(1,963,878)	(4,338,194)	(4,742,481)	(4,825,719)	(2,765,647)
<b>Total Other Financing Sources (Uses)</b>	<b>6,531,713</b>	<b>3,439,676</b>	<b>1,532,500</b>	<b>10,764,498</b>	<b>1,698,996</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,102,829)</b>	<b>\$ 1,722,295</b>	<b>\$ (1,794,684)</b>	<b>\$ (1,889,197)</b>	<b>\$ 4,900,517</b>
Debt Service as a Percentage of Noncapital Expenditures	9.06%	9.02%	17.82%	37.92%	11.14%

Table 4 (Cont.)

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

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Revenues</b>					
Taxes	\$ 11,118,944	\$ 10,142,968	\$ 10,758,892	\$ 10,178,587	\$ 9,613,934
Special Assessments	200,654	289,216	325,136	472,266	151,392
Licenses & Permits	271,175	244,733	224,947	201,651	233,786
Intergovernmental Revenue	4,079,487	4,330,390	3,619,939	4,414,712	3,846,761
Nongovernmental Grants	-	-	-	-	-
Keno Revenue	572,632	547,095	494,447	432,584	359,060
Charges for Services	1,890,616	1,865,085	1,863,308	1,464,667	1,330,223
Occupation & Franchise Taxes	2,781,029	2,653,429	2,621,917	2,138,542	1,093,679
Contributions	559,517	54,942	35,293	54,228	72,234
Payments in Lieu of Taxes	184,689	176,215	162,944	146,885	117,364
Parking Fees and Rentals	4,681,679	4,584,494	4,474,023	4,204,014	3,830,046
Loan Repayments	104,783	78,073	557,448	136,519	82,419
Interest	49,655	54,192	114,312	90,235	71,269
Miscellaneous	124,215	138,377	84,580	105,741	232,156
Total Revenue	<u>26,619,075</u>	<u>25,159,209</u>	<u>25,337,186</u>	<u>24,040,631</u>	<u>21,034,323</u>
<b>Expenditures</b>					
General Government	2,698,982	2,543,757	2,491,369	4,263,408	2,419,970
Public Safety	8,967,532	9,138,087	8,194,543	8,238,009	7,974,899
Public Works	6,597,380	5,658,796	5,353,264	5,588,853	4,853,161
Public Library	1,355,079	1,288,130	1,204,614	1,329,905	1,485,872
Parks and Recreation	2,816,830	2,661,914	11,655,476	8,267,527	1,519,769
Community Improvement & Development	1,031,844	1,322,343	963,266	794,940	1,560,058
Debt Service					
Principal Retirement	2,620,000	1,453,810	1,928,649	1,179,881	870,714
Interest	649,134	677,052	442,032	442,032	234,421
Capital Outlay	-	-	-	-	159,664
Total Expenditure	<u>26,736,781</u>	<u>24,743,889</u>	<u>32,233,213</u>	<u>30,104,555</u>	<u>21,078,528</u>
Excess (Deficiency) of Revenues over expenditures	<u>(117,706)</u>	<u>415,320</u>	<u>(6,896,027)</u>	<u>(6,063,924)</u>	<u>(44,205)</u>
<b>Other Financing Sources (Uses)</b>					
Insurance Proceeds	141,778	308,069	-	-	-
Issuance of Debt	2,625,000	-	490,000	20,305,000	401,500
Premium on Bonds	-	-	-	49,560	-
Bonds Refunded	795,000	-	-	(2,130,000)	-
Transfers In	2,171,879	2,272,954	1,832,789	1,919,961	2,068,596
Transfers Out	<u>(2,171,879)</u>	<u>(2,322,342)</u>	<u>(1,832,789)</u>	<u>(1,919,961)</u>	<u>(2,068,596)</u>
Total Other Financing Sources (Uses)	<u>3,561,778</u>	<u>258,681</u>	<u>490,000</u>	<u>18,224,560</u>	<u>401,500</u>
Net Change in Fund Balances	<u>\$ 3,444,072</u>	<u>\$ 674,001</u>	<u>\$ (6,406,027)</u>	<u>\$ 12,160,636</u>	<u>\$ 357,295</u>
Debt Service as a Percentage of Noncapital Expenditures	13.77%	9.72%	11.69%	7.81%	5.76%

**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
2019	\$ 574,860,915	1.50%
2018	554,798,701	1.50%
2017	535,529,003	2.00%
2016	527,991,172	2.00%
2015	547,447,750	2.00%
2014	522,866,921	1.50%
2013	510,892,339	1.50%
2012	504,008,240	1.50%
2011	467,925,125	1.50%
2010	459,698,781	1.50%

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	
2019	1.50%	5.50%	7.00%
2018 (2)	1.50%	5.50%	7.00%
2017	2.00%	5.50%	7.50%
2016	2.00%	5.50%	7.50%
2015 (2)	2.00%	5.50%	7.50%
2014	1.50%	5.50%	7.00%
2013	1.50%	5.50%	7.00%
2012	1.50%	5.50%	7.00%
2011	1.50%	5.50%	7.00%
2010	1.50%	5.50%	7.00%

Note: (1) Overlapping rates are those of other governments that apply to consumers within the City of Norfolk.  
(2) April 1, 2015 tax rate in the City of Norfolk changed from 1.5% to 2.0% for 3 years to fund Library updates. The additional 0.5% sales tax sunset on March 31, 2018.



**CITY OF NORFOLK, NEBRASKA**  
**NET TAXABLE SALES BY BUSINESS CLASSIFICATION**  
**CURRENT YEAR AND NINE YEARS AGO**

TABLE 7

Business Classifications	2019			2010		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 316,356,006	1	49.33%	\$ 266,886,158	1	54.31%
Accommodation & Food Services	73,138,588	2	11.40%	43,637,435	2	8.88%
Other	251,902,282	-	39.27%	180,888,960	-	36.81%
<b>Total</b>	<b>\$ 641,396,876</b>		<b>100.00%</b>	<b>\$ 491,412,553</b>		<b>100.00%</b>

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. Percentages are not available for Utilities to avoid disclosure of confidential information but are included in the Total.

Source: Nebraska Dept of Revenue

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

TABLE 8

FISCAL YEAR (2)	REAL PROPERTY	PERSONAL PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT TAX RATE
2019	\$ 1,587,354,266	\$ 58,508,792	\$ 1,645,863,058	0.6055
2018	1,527,100,699	58,347,001	1,585,447,700	0.6055
2017	1,414,978,332	51,546,991	1,466,525,323	0.6021
2016	1,336,246,190	47,747,588	1,383,993,778	0.6021
2015	1,269,843,679	50,035,023	1,319,878,702	0.5967
2014	1,214,361,524	44,813,004	1,259,174,528	0.5967
2013	1,160,166,057	42,955,400	1,203,121,457	0.5781
2012	1,145,320,208	44,351,377	1,189,671,585	0.5806
2011	1,140,003,464	44,061,854	1,184,065,318	0.5817
2010	1,135,043,425	48,758,055	1,183,801,480	0.5817

(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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CITY OF NORFOLK										
GENERAL FUND	0.1937	0.1928	0.1880	0.1685	0.1591	0.1549	0.1320	0.1335	0.1341	0.1341
DEBT SERVICE	0.0373	0.0373	0.0366	0.0529	0.0555	0.0581	0.0609	0.0615	0.0618	0.0618
ECONOMIC DEVELOPMENT FUND	0.0245	0.0255	0.0275	0.0306	0.0321	0.0337	0.0352	0.0356	0.0358	0.0358
VEHICLE PARKING FUND(3)	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
TOTAL CITY OF NORFOLK	<u>0.6055</u>	<u>0.6055</u>	<u>0.6021</u>	<u>0.6021</u>	<u>0.5967</u>	<u>0.5967</u>	<u>0.5781</u>	<u>0.5806</u>	<u>0.5817</u>	<u>0.5817</u>
OVERLAPPING RATES (2)										
MADISON COUNTY	0.3793	0.3265	0.3267	0.3268	0.3283	0.3557	0.4255	0.4249	0.4211	0.4090
SCHOOL DISTRICT NO 2	1.1735	1.1766	1.1880	1.2051	1.2098	1.2154	1.2154	1.2589	1.3182	1.3240
NORTHEAST COMMUNITY COLLEGE	0.0950	0.0950	0.0909	0.0913	0.0953	0.0990	0.0993	0.0983	0.0953	0.0985
NORFOLK AIRPORT AUTHORITY	0.0397	0.0412	0.0437	0.0318	0.0334	0.0306	0.0310	0.0313	0.0315	0.0330
LOWER ELKHORN NRD	0.0237	0.0231	0.0233	0.0240	0.0241	0.0251	0.0266	0.0296	0.0340	0.0379
AGRICULTURAL SOCIETY MADISON COUNTY	0.0112	0.0109	0.0110	0.0110	0.0110	0.0116	0.0131	0.0139	0.0144	0.0145
EDUCATIONAL SERVICES UNIT #8	0.0133	0.0131	0.0131	0.0126	0.0126	0.0126	0.0150	0.0150	0.0150	0.0149
NORFOLK SANITARY DISTRICT	0.0147	0.0148	0.0099	0.0100	0.0099	0.0099	0.0100	0.0098	0.0095	0.0091
RAILROAD TRANSPORTATION SAFETY DIST.	0.0083	0.0083	0.0101	0.0093	0.0079	0.0060	0.0060	0.0050	0.0106	0.0036
TOTAL OVERLAPPING RATES	<u>1.7587</u>	<u>1.7095</u>	<u>1.7167</u>	<u>1.7219</u>	<u>1.7323</u>	<u>1.7659</u>	<u>1.8419</u>	<u>1.8867</u>	<u>1.9496</u>	<u>1.9445</u>
TOTAL PROPERTY TAXES	2.3642	2.3150	2.3188	2.3240	2.3290	2.3626	2.4200	2.4673	2.5313	2.5262

(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 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 TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

TABLE 10

TAXPAYERS	TYPE OF BUSINESS	2019			2010		
		TAXABLE ASSESSED VALUE	RANK	% OF TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TAXABLE ASSESSED VALUE
FAITH REGIONAL HEALTH SERVICES	MEDICAL OFFICES	\$ 18,736,241	1	1.14%	\$ 9,394,512	4	0.79%
WAL-MART STORES INC	RETAIL STORE	9,792,578	2	0.59%	10,180,058	2	0.86%
WIS-PAK	BOTTLING DISTRIBUTION	9,590,903	3	0.58%	6,897,756	5	0.58%
N S P LLC	SHOPPING MALL	9,054,955	4	0.55%	-	-	0.00%
HEARTLAND PANTRY INC	RETAIL STORE	9,005,963	5	0.55%	9,579,200	3	0.81%
MENARD INC	RETAIL STORE	7,293,763	6	0.44%	5,990,081	7	0.51%
HERITAGE OF NORFOLK INC	NURSING HOME	6,704,018	7	0.41%	6,298,274	6	0.53%
UNION PACIFIC RAILROAD CO	RAILROAD	6,338,624	8	0.39%	-	-	0.00%
TIMM VILLAGE GREEN LLC	APARTMENTS	5,846,436	9	0.36%	-	-	0.00%
SABR HEALTH CARE HOLDINGS III LLC	REAL ESTATE	5,721,642	10	0.35%	-	-	0.00%
DIAL - SUNSET MALL LLC	SHOPPING MALL	-	-	0.00%	13,820,783	1	1.17%
BLACK HILLS NEBR GAS (AQUILLA)	UTILITY	-	-	0.00%	5,351,163	8	0.45%
PERKINS DELAWARE	MANUFACTURING	-	-	0.00%	5,266,340	9	0.44%
MCMEADOWS LLC	REAL ESTATE	-	-	0.00%	4,996,159	10	0.42%
<b>TOTAL</b>		<b>\$ 88,085,123</b>		<b>5.36%</b>	<b>\$ 77,774,326</b>		<b>6.56%</b>

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
2019	\$ 4,153,321	\$ 3,586,171	86.34%	\$ -	\$ 3,586,171	86.34%
2018	3,790,655	3,687,877	97.29%	88,748	3,776,625	99.63%
2017	3,573,866	3,466,463	96.99%	95,760	3,562,223	99.67%
2016	3,340,527	3,268,556	97.85%	71,971	3,340,527	100.00%
2015	3,189,630	3,089,071	96.85%	100,559	3,189,630	100.00%
2014	2,827,106	2,747,980	97.20%	79,126	2,827,106	100.00%
2013	2,825,242	2,736,874	96.87%	88,368	2,825,242	100.00%
2012	2,823,416	2,737,455	96.96%	85,163	2,822,618	99.97%
2011	2,825,657	2,726,631	96.50%	98,614	2,825,245	99.99%
2010	2,404,312	2,317,303	96.38%	83,958	2,401,261	99.87%

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

TABLE 12

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			
	GENERAL	SPECIAL	BOND	NOTES PAYABLE
	OBLIGATION BONDS	ASSESSMENT BONDS	ANTICIPATION NOTES	
2019	\$ 14,168,543	\$ 1,790,000	\$ 6,522,000	\$ -
2018	13,880,514	2,095,000	1,867,000	-
2017	14,606,376	905,000	2,250,000	-
2016	16,912,454	1,105,000	2,250,000	-
2015	19,950,000	990,000	2,590,000	-
2014	20,100,000	1,195,000	-	-
2013	18,960,000	1,535,000	-	-
2012	20,180,000	1,745,000	-	23,809
2011	21,210,000	1,415,000	525,000	255,359
2010	3,480,000	2,060,000	525,000	345,240

Notes: (1) See Table 16 for income and population data. 2019 population and personal income numbers are unavailable.

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

TABLE 12 (CONT.)

<u>BUSINESS-TYPE ACTIVITIES</u>		TOTAL PRIMARY GOVERNMENT	DEBT PER CAPITA (1)	PERCENTAGE OF PERSONAL INCOME (1)
REVENUE BONDS	STATE REVOLVING LOAN			
\$ 8,936,054	\$ -	\$ 31,416,597	N/A	N/A
9,290,187	-	27,132,701	1,100.67	1.51
5,700,000	-	23,461,376	960.19	1.39
6,595,000	-	26,862,454	1,103.27	1.68
7,440,000	-	30,970,000	1,271.03	1.95
8,305,000	-	29,600,000	1,210.93	1.91
9,160,000	-	29,655,000	1,208.83	1.97
6,065,000	-	28,013,809	1,151.32	2.03
3,550,000	710,008	27,665,367	1,140.93	2.12
6,110,000	827,066	13,347,306	551.31	1.10

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

TABLE 13

FISCAL YEAR	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS-GENERAL OBLIGATION PORTION	GENERAL BONDED DEBT	LESS: AMOUNTS RESTRICTED FOR DEBT SERVICE	NET GENERAL BONDED DEBT	NET BONDED DEBT PER CAPITA (1)	VALUATION OF TAXABLE REAL PROPERTY
2019	\$ 14,168,543	\$ 685,102	\$ 14,853,645	\$ 3,221,437	\$ 11,632,208	N/A	0.73%
2018	13,880,514	788,653	14,669,167	2,879,341	11,789,826	478.27	0.77%
2017	14,606,376	303,025	14,909,401	2,575,381	12,334,020	504.79	0.87%
2016	16,912,454	382,930	17,295,384	2,310,289	14,985,095	615.45	1.12%
2015	19,950,000	339,878	20,289,878	2,056,725	18,233,153	748.30	1.44%
2014	20,100,000	407,083	20,507,083	1,718,817	18,788,266	768.62	1.55%
2013	18,960,000	470,340	19,430,340	1,556,817	17,873,523	728.85	1.54%
2012	20,180,000	532,264	20,712,264	1,117,646	19,594,618	805.30	1.71%
2011	21,210,000	371,013	21,581,013	504,468	21,076,545	869.21	1.85%
2010	3,480,000	618,952	4,098,952	1,193,594	2,905,358	120.01	0.26%

Notes: (1) See Table 16 for population data. 2019 population numbers are unavailable.



**CITY OF NORFOLK, NEBRASKA**  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF SEPTEMBER 30, 2019

TABLE 14

GOVERNMENTAL UNITS	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (1)	DIRECT AND OVERLAPPING DEBT TO THE CITY
<b>DIRECT:</b>			
CITY	\$ 22,480,543	100.00%	\$ 22,480,543
<b>OVERLAPPING:</b>			
Norfolk School District #2	\$ 12,571,551	63.43%	\$ 7,974,394

Note: (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable revenue base that is within the City of Norfolk's boundaries and dividing it by the unit's total taxable revenue base.

SOURCE: NORFOLK PUBLIC SCHOOLS

**CITY OF NORFOLK, NEBRASKA**  
**PLEDGED REVENUE COVERAGE**  
**COMBINED UTILITIES BONDS OF THE WATER, SEWER AND SOLID WASTE FUNDS**  
**LAST TEN FISCAL YEARS**

TABLE 15

	GROSS REVENUE (1)	DIRECT OPERATING EXPENSES (2)	NET AVAILABLE REVENUE	DEBT SERVICE REQUIRMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2019	\$ 10,149,488	\$ 6,610,735	\$ 3,538,753	\$ 330,000	\$ 215,626	\$ 545,626	6.49
2018	9,558,203	6,569,173	2,989,030	290,000	222,689	512,689	5.83
2017	9,463,735	5,806,596	3,657,139	895,000	163,784	1,058,784	3.45
2016	8,622,767	5,353,538	3,269,229	845,000	183,051	1,028,051	3.18
2015	8,109,112	5,234,995	2,874,117	865,000	184,233	1,049,233	2.74
2014	8,510,448	5,307,088	3,203,360	855,000	198,501	1,053,501	3.04
2013	8,344,442	5,524,293	2,820,149	905,000	182,034	1,087,034	2.59
2012	8,677,238	4,965,477	3,711,761	1,120,008	95,519	1,215,527	3.05
2011	7,482,560	4,818,232	2,664,328	852,058	218,512	1,070,570	2.49
2010	7,086,116	4,790,997	2,295,119	823,624	286,972	1,110,596	2.07

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)
2019	N/A	N/A	N/A	4,573	2.8%
2018	24,651	1,791,894	50,630	4,446	2.5%
2017	24,434	1,689,969	48,087	4,370	2.7%
2016	24,348	1,599,237	45,673	4,325	3.0%
2015	24,366	1,587,171	45,264	4,244	2.6%
2014	24,444	1,550,788	44,089	4,069	2.7%
2013	24,523	1,506,700	42,709	4,148	2.9%
2012	24,332	1,380,610	39,411	4,110	3.2%
2011	24,248	1,305,431	37,372	4,009	3.6%
2010	24,210	1,213,230	34,728	4,023	3.8%

Sources: (1) These figures are estimates compiled from the most recent data available from the Bureau of Census and the NE Dept of Labor. 2019 numbers are unavailable.  
 (2) Bureau of Economic Analysis. 2019 numbers are unavailable.  
 Numbers are shown for Madison County.  
 (3) Norfolk Public Schools PreK-12  
 (4) State of Nebraska, NE Dept of Labor

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

TABLE 17

EMPLOYER	2019			2010		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Faith Regional Health Services	1,348	1	5.47%	1,152	1	5.82%
Norfolk Public Schools	760	2	3.08%	647	3	3.27%
Northeast Community College	759	3	3.08%	325	9	1.64%
Nucor Steel Division of Nucor Corp	508	4	2.06%	423	6	2.14%
Associated Wholesale Grocers	411	5	1.67%			
Conitech	390	6	1.58%			
Walmart	360	7	1.46%	438	5	2.21%
Vulcraft Division of Nucor Corp	349	8	1.42%	478	4	2.41%
Cardinal Health	340	9	1.38%			
Norfolk Iron & Metal Co	318	10	1.29%	407	7	2.06%
Affiliated Foods Midwest				656	2	3.31%
Veyance Technologies				369	8	1.86%
Norfolk Veterans Home				230	10	1.16%
<b>Total</b>	<b>5,543</b>		<b>22.49%</b>	<b>5,125</b>		<b>25.88%</b>

Source: City of Norfolk Economic Development

**CITY OF NORFOLK, NEBRASKA**  
 Full-Time Equivalent City Governmental Employees by Function  
 Last Ten Fiscal Years

TABLE 18

Full-Time Equivalent City Government Employees by Function as of September 30										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	26.34	29.00	29.00	29.00	26.88	25.88	25.88	25.88	26.18	25.55
Engineering	6.00	7.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Public Safety										
Police	62.40	62.00	60.50	60.00	60.00	58.00	58.00	58.00	58.00	58.00
Fire	31.55	36.55	36.05	36.05	37.00	37.00	37.00	38.00	38.00	38.00
Region 11	0.95	0.95	0.95	0.95	1.00	1.00	1.00	1.00	1.00	1.00
SNARE	0.13	0.13	0.13	0.13	0.13	0.13	0.50	0.50	0.50	0.50
Streets	22.62	22.62	22.62	22.62	23.25	23.25	23.25	22.25	22.25	22.00
Planning & Development	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Culture & Recreation										
Parks	21.00	19.00	19.00	20.00	20.00	22.00	21.00	20.00	20.00	22.00
Recreation	2.00	2.00	2.00	2.00	2.00	2.00	1.67	1.67	1.00	1.00
Auditorium	0.00	0.00	0.00	0.00	0.00	0.00	2.43	2.43	2.43	2.43
Library	16.07	15.64	15.64	15.21	15.38	15.38	15.1	15.1	14.97	14.97
Housing	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75
Community Character Development Coalition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.25
Economic Development Operating	2.66	2.00	3.00	3.00	3.00	3.00	2.00	2.00	0.00	0.00
Water	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Sewer Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water Pollution Control	8.50	8.50	8.50	8.50	9.00	9.00	9.00	9.00	9.50	9.50
Solid Waste Management	8.38	7.38	7.38	6.38	5.38	6.38	6.38	6.38	5.88	5.75
<b>Total</b>	<b>236.60</b>	<b>233.77</b>	<b>231.77</b>	<b>230.84</b>	<b>229.77</b>	<b>228.77</b>	<b>228.96</b>	<b>227.96</b>	<b>225.46</b>	<b>230.70</b>

Source: City of Norfolk Finance

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

TABLE 19

FUNCTION	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Purchase Ordered Processed	-	-	-	-	-	31	765	1,223	1,393	1,365
Water/Sewer Customers Billed	9,712	9,649	9,633	9,602	9,551	9,523	9,479	9,419	9,392	9,306
Engineering										
Miles of Paving Districts	0.78	0.00	0.00	0.14	0.33	0.00	0.00	0.00	0.20	0.20
Miles of Street Reconstruction	1.20	1.40	0.00	0.17	0.32	0.10	0.40	1.10	0.75	0.30
Public Safety										
Police:										
Criminal Arrests	1,178	1,525	1,465	1,392	1,394	1,448	1,645	1,809	1,701	1,655
Traffic Arrests	2,115	1,865	2,129	2,391	3,097	2,388	2,294	2,709	2,804	2,313
Drug/Alcohol Arrests	709	705	712	749	696	705	817	897	762	556
Fire:										
Rescue Calls	2,048	2,100	1,960	2,066	2,007	1,912	1,941	1,866	1,861	1,678
Culture and Recreation										
Library										
Total Circulation	288,029	253,346	265,698	295,787	309,281	321,954	320,282	299,776	324,042	319,997
Community Improvement and Development										
Planning and Development										
Building Permits	457	423	461	423	411	388	347	356	375	386
Water:										
Water Inspections	53	59	69	56	51	56	66	47	42	48
Locates	3,354	3,308	3,565	3,475	3,198	3,272	3,449	3,070	2,521	2,743
Sewer:										
Water Pollution Control										
Billion of Gallons treated	1.253	1.128	1.054	1.099	1.02	1.02	1.077	1.083	1.189	1.269
Sewer Maintenance										
Sewer Inspections	29	46	48	31	35	34	61	34	20	32
Solid Waste Management										
Average Daily Tonnage	122	113	112	109	106	102	104	108	108	113

Souces: Various City Departments

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

TABLE 20

FUNCTION	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
City Auditorium (1)	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Offices (2)	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
<b>Public Safety</b>										
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	2.00	2.00	2.00	2.00	2.00
<b>Streets</b>										
Streets (Miles)	147.75	147.15	145.56	145.09	144.55	144.09	144.08	144.29	144.29	144.29
Streetlights	2,327	2,282	2,305	2,277	2,279	2,257	2,257	2,258	2,327	2,244
<b>Parks</b>										
Parks Acreage	422.20	422.20	422.20	421.60	421.60	414.00	403.50	403.50	403.50	403.50
Parks #	16.00	16.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Swimming Pools	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00
Tennis Courts	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Water</b>										
Water mains (miles)	137.00	131.00	127.00	126.00	126.00	129.00	123.00	123.00	123.00	122.00
Water treatment plants	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Sewer</b>										
Sanitary sewer (miles)	142.00	140.00	137.00	133.00	131.00	128.00	127.00	127.00	127.00	127.00
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 until March 2012 Sold in December 2015

(2) Administrative and Engineering Offices as of March 2012 and Council Chambers as of January 2013

Sources: Various City Departments



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members  
of the City Council  
City of Norfolk, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control over financial reporting* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely 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 effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hayes & Associates, L.L.C.*

Hayes & Associates, L.L.C.  
Omaha, Nebraska  
March 27, 2020

City of Norfolk, Nebraska  
SCHEDULE OF FINDINGS AND RESPONSES  
For the year ended September 30, 2019

I. SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of auditors' reports issued:	<b>Unmodified</b>
Internal controls over financial reporting:	
• Material weaknesses identified:	<b>None reported</b>
• Significant deficiencies identified:	<b>None reported</b>
Noncompliance material to financial statements noted:	<b>None reported</b>

II. FINDINGS—FINANCIAL STATEMENTS

**None reported.**

City of Norfolk, Nebraska  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended September 30, 2019

II. FINDINGS—FINANCIAL STATEMENTS

**None reported**