

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

CITY OF NORFOLK, NEBRASKA



for the year ended

SEPTEMBER 30, 2023

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

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NORFOLK
NEBRASKA**

for the year ended

September 30, 2023

CITY OF NORFOLK, NEBRASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

*for the
fiscal year
ended
September 30, 2023*

Prepared by:
The Finance Division

CITY OF NORFOLK, NEBRASKA

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INTRODUCTORY SECTION

March 27, 2024

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

The annual comprehensive financial report of the City of Norfolk for the fiscal year ended September 30, 2023 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, 2023.

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 FORVIS, LLP 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, 2023, 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, 2023 are fairly presented in accordance 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 to 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 1310 West Norfolk Avenue Suite D.

The Council is required to adopt a final budget by no later than September 30 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

Norfolk sales tax has continued growth recently. Sales tax revenue in fiscal year 2023 was \$11,898,470, an increase of \$757,239 or 6.8% from fiscal year 2022. This is after a 6.1% increase from fiscal year 2021 to 2022. Norfolk continues to have low unemployment. In December 2023 the national unemployment rate was 3.5% and Norfolk's unemployment rate was 1.9%. Real estate values are increasing in Norfolk. The 2023 assessed valuation increased 8.3%, and the amount of real growth was \$48.4 million.

Norfolk Machinery Co. announced plans for a new facility west of Norfolk. The plans include constructing a 40,000 square foot building for a Caterpillar dealership for sales, rentals, parts, and service of Caterpillar equipment. The facility will include 12 bays and be larger than the existing dealership, providing room for the business to expand its workforce. It will feature advanced technology, automated storage systems, and increased warehouse space to house additional Caterpillar parts. It will have a demonstration area that allows customers to test the functionality of various products and a full-serve Cat Rental Store which will offer a complete line of Caterpillar and allied equipment for local contractors.

Construction continues on the \$375 million soybean crushing plant near Norfolk. Operation of the plant is expected to start in 2024. The plant will crush 38.5 million bushels of soybeans annually and create up to 55 jobs. It will produce 847,000 tons of soybean meal per year for livestock feed markets, 450 million pounds of crude soybean oil per year, and 77,000 tons of pelleted soybean hulls per year. The plant is expected to increase area soybean prices 20 cents per bushel, resulting in a \$7.7 million annual increase in area farm income. A \$200,000 Site and Building Development Fund Grant from the State of Nebraska was awarded to fund part of constructing the new plant.

Renovations to the Sunset Plaza Mall are currently underway. The first phase of renovation retrofits the former Herberger's space into three separate spaces for Kohl's, Planet Fitness, and TJ Maxx. It includes construction of a new loading dock, exterior façade enhancements, interior tenant improvements, replacement and/or repair of the associated sidewalks and parking lots, landscaping, and updated utilities. The second phase of renovation will improve the remainder of the mall and include renovation of hallways and food court, exterior façade enhancements, interior tenant improvements, landscaping, and replacement and/or repair of sidewalks and parking lots. Total project costs are expected to be more than \$22.5 million. A Redevelopment Contract was approved that provides for \$3.5 million of tax increment financing for eligible costs from the second phase.

Milk Specialties Global is expanding their existing plant in Norfolk. The project involves adding a 14,000 square foot dryer building and a 9,200 square foot liquid processing warehouse. The expansion will include new equipment for milk drying operations with an expected volume of more than 2 million pounds of raw milk per day sourced from area producers. The project is expected to create 29 jobs. A \$300,000 Site and Building Development Fund Grant from the State of Nebraska was awarded to fund a portion of the expansion.

The Norfolk area continues to address its housing shortage. A 2016 study, updated most recently in September 2021, found that Norfolk needs 769 new housing units by 2026, including 427 owner and 342 rental housing units, to meet current demand and support future population growth. Construction continues on a number of projects related to Redevelopment Contracts that provide for using tax increment financing for housing. Progress continues on the Legacy Bend Development, Medelmans Lake Development, Nor-Park Housing Development, and Arbor View Development. A total of 18 single family dwellings were added in these developments in the past year.

A Redevelopment Contract was approved providing tax increment financing near downtown for 2 apartment buildings for Wayne State students as part of the Growing Together Initiative, 5 two-story commercial structures all but one having residential on the second floor, and 5 condominiums. A total of 44 residential units and 18 commercial units are planned over 3 phases. One commercial/community building and two apartment buildings with a total of ten apartments are currently under construction. The Contract provides for up to \$4,853,274 of tax increment financing. Another Redevelopment Contract relating to the Growing Together Initiative is the Phillip Avenue apartments. This project consists of demolishing an existing building to build a 30-unit apartment complex with green space. Total project costs are expected to be over \$5 million, with tax increment financing providing \$445,000 of this cost.

Another Redevelopment Contract approved is the area northwest of the intersection of South Victory Road and Omaha Avenue. The Redeveloper plans to add 25 duplex lots for a total of 50 housing units. Currently 16 duplexes and 4 single family dwellings have been constructed or are in progress. Total project costs are expected to be over \$9.5 million. Tax increment financing bonds of \$724,603 were issued in May 2023 for this project.

A Redevelopment Contract was approved for the Wisner West Redevelopment project. This is a multi-phase project consisting of 8 lots with the first phase being construction of a Prime Stop convenience store and truck stop. Development of the other seven lots will occur in subsequent phases. The Contract provides for up to \$528,472 of tax increment financing bonds for the first phase.

The Kensington Building Redevelopment Project was approved that consists of restoration and redevelopment of the Kensington into a boutique hotel with approximately 62 rooms, restaurant, meeting space, a fitness room, and a business center. Total project costs are expected to be over \$14 million, with tax increment financing providing \$1,950,000 of this cost.

The Cornhusker Auto Redevelopment Project was approved that consists of renovation and rehabilitation of the former Office Max building for use as a Nissan dealership. Total project costs are expected to be over \$6 million, with tax increment financing providing \$417,468 of this cost.

Other economic indicators appear mainly favorable. Norfolk's population increased from an estimated 24,967 in 2021 to an estimated 25,928 in 2022. Madison County's unemployment rate decreased from 2.0% in December 2022 to 1.9% in December 2023. Public school enrollment decreased slightly from 4,546 in September 2022 to 4,519 in September 2023. Construction permits were 75 valued at \$34.2 million in fiscal year 2022 compared to 81 valued at \$47.4 in fiscal year 2023.

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 Mayor and Council have made an effort to hold down property tax levy rates while still providing adequate programs and services. For the fiscal year 2023-2024 budget, the City's property tax levy rate decreased .011189 going from .304303 last year to .293114 this year. The City's LTFP projects the property tax levy rate will not need to be increased over the next 10 years to maintain the same level of services.

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 periodically updates its water and sewer master plans. The last sewer master plan includes \$10.5 million of improvements through 2040. The last water master plan, which was completed in March 2023, includes \$20 million of critical system improvements through 2040 and another \$48 million of improvements depending on growth. The City purchased software during the past year to aid in financial planning and rate analysis. The goal is to generate sufficient revenue from water and sewer rates for long-term capital needs from affordable rates.

The Mayor and Council currently have seven goals. The first goal is community and economic development. Construction of a two million gallon water tank, new collector well and pipeline, and upgrades at the west water treatment plant are planned to increase water production for future development. A grit removal building and plant upgrades at the water pollution control plant are also planned. The Mayor and Council are exploring the creation of a Business Improvement District downtown and have hired Progressive Urban Management Associates (PUMA) to facilitate this process. A Downtown Revitalization Grant has been awarded for building facades and infrastructure downtown. Tax increment financing bonds will be issued for redeveloping the historic Kensington Hotel. This year the Mayor and Council have added an emphasis on addressing the childcare shortage. It is difficult to expand the labor force and

recruit new business when there are minimal-to-no childcare options. Northern Hills child care closed in January 2023, which reduced area child care capacity by approximately 200 children. Women's Empowering Life Line, a nonprofit group, worked with State, City, and other local entities to reopen Northern Hills in October 2023. Other focuses this year are on homelessness and mental health issues. The City plans to work with non-profits and other agencies to address homelessness and mental health issues, including substance abuse. The Mayor and Council continue to expand public art and support initiatives to attract young professionals and entrepreneurs.

Parks and recreation is another goal of the Mayor and Council. A big focus is on the \$11.4 million project to implement the Johnson Park master plan and North Fork River restoration. A number of federal, state, and local grants have been awarded, private donations have been received, and the City has committed keno and American Rescue Plan (ARP) funds. The project includes new ADA restrooms, additional parking, an amphitheater, updated playground equipment, ice skating rink, infrastructure improvements, removal of the existing spillway, river boulder walls to introduce water recreation characteristics to the river, enhanced aquatic habitats, beautification along the bank corridors, and improved river access points. Work on the river has continued over the past year. After advertising and receiving only unacceptable bids for the Johnson Park improvements, the City has rebid with separate bid packages and construction has begun. Funding has been identified for Liberty Bell Park redevelopment that includes a donated playground that was recently installed. A grant was awarded to conduct a citywide comprehensive master plan for parks and recreation. This master plan, which is expected to be completed in April, will guide parks improvements in the future.

Street maintenance continues to be a goal of the Mayor and Council. An \$18 million project to reconstruct Benjamin Avenue from 1st Street to 13th Street was substantially completed in December 2023. Landscaping and crosswalks will be finished in the spring. Replacement of the 1st Street bridge and storm sewer for \$4.1 million next to Johnson Park was recently completed. Highway allocation pledge bonds of \$5 million were added to the fiscal year 2023-2024 budget to fund community decided street repair projects. Other street maintenance goals this year include improvements to 8th Street and Michigan Avenue, 1st Street south of Benjamin Avenue, Riverside Boulevard south of Benjamin Avenue, and East Maple Avenue. Staff plan to continue holding public open houses to explain the 1 to 6 year street plan.

Another goal is Public Safety expansion. The Mayor and Council desire expanding the Police Station. Plans for an addition to the east of the existing building have been finished. The Mayor and Council continue to explore funding options. A citizens committee has been formed to recommend a preferred funding method to the Mayor and Council. Once funding is secured, the project can move forward.

The Mayor and Council are focusing on a number of Public Works projects this year. The process of recertifying that the flood control levee meets Federal Emergency Management Agency standards is ongoing. Construction of improvements to the flood control levee are anticipated to start in 2025. As discussed in the community and economic development goal, significant upgrades at the water treatment plant and water pollution control plant are planned. The City has finished construction at the transfer station to implement the Solid Waste master

plan to improve the flow of traffic at the transfer station, construct a maintenance facility, and improve site security and safety. The Mayor and Council are also focused on wastewater resource recovery and adding sidewalks throughout the City.

To achieve the goal of community engagement and public relations there will be increased presence on social media, spotlighting different areas in order to better communicate with citizens. The Mayor and Council are emphasizing neighborhood revitalization as a step toward the goal of property maintenance. Staff have created a land bank for acquiring vacant, abandoned, or dilapidated properties with the goal of improving or selling them.

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 \$2.6 million. Over the last several years, the City has been increasing General Fund ending balance to bring it up to a more appropriate level.

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 annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-fifth 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 annual comprehensive 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 annual comprehensive 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 thirty-one years, the most recent for the 2023-2024 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 annual comprehensive 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 annual comprehensive financial report for the fiscal year ended September 30, 2022.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive 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

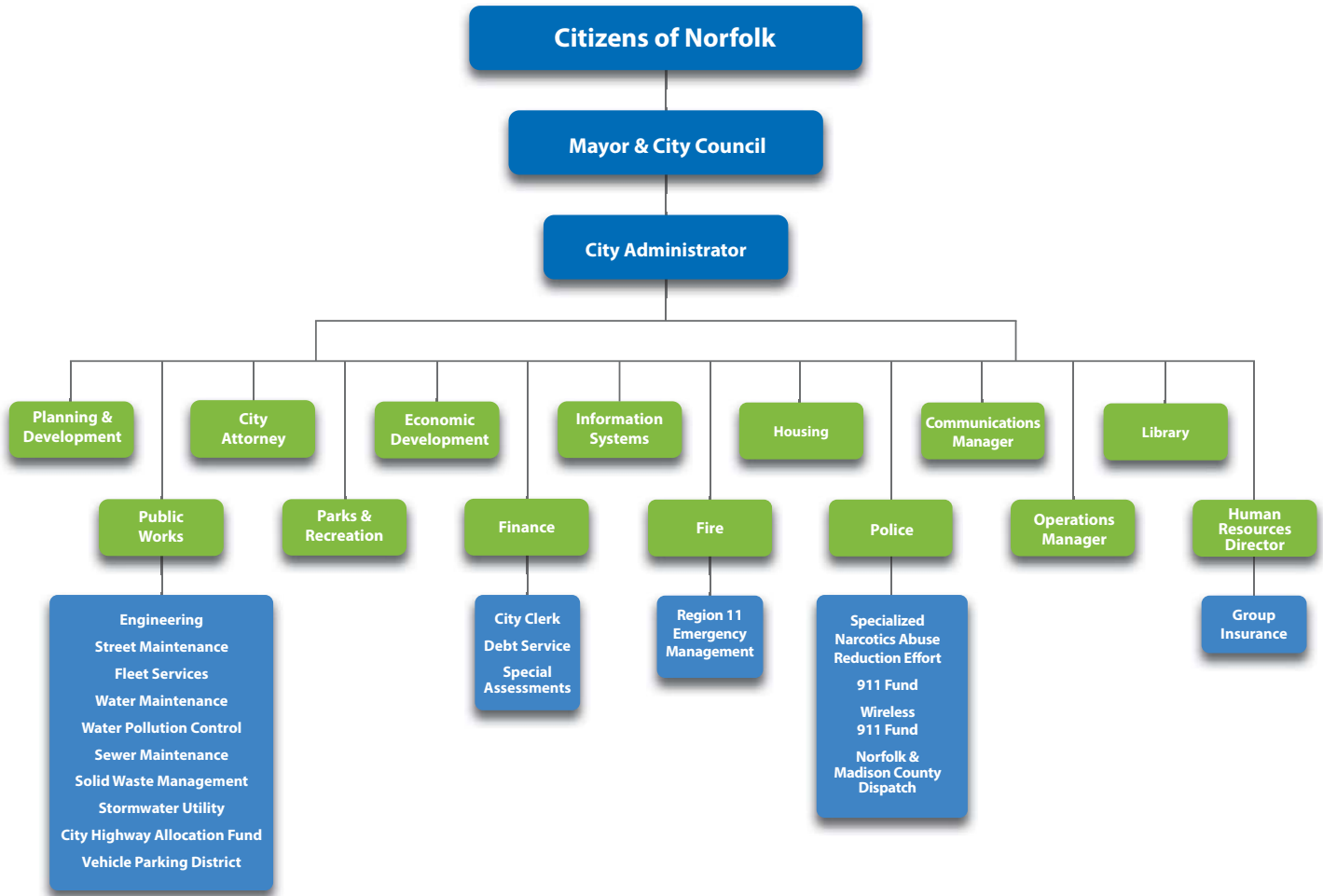
**City of Norfolk
Nebraska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



CITY OF NORFOLK, NEBRASKA

List of Principal Officials

October 1, 2023

<u>Title</u>	<u>Name</u>
Mayor	Josh Moenning
Council Member	Justin Snorton
Council Member	Corey Granquist
Council Member	Shane Clausen
Council Member	Frank Arens
Council Member	Andrew McCarthy
Council Member	Kory Hildebrand
Council Member	Justin Webb
Council Member	Thad Murren
City Administrator	Andy Colvin
City Attorney	Danielle Myers-Noelle
City Clerk	Brianna Duerst
Planning & Development Director	Valerie Grimes
Director of Public Works	Steven Rames
Finance Officer	Randy Gates
Fire Chief	Tim Wragge
Housing Director	Gary Bretschneider
Information Systems Manager	Brad Andersen
Library Director	Jessica Chamberlain
Streets Manager	Will Elwell
Operations Manager	Lyle Lutt
Park & Recreation Director	Nathan Powell
Police Chief	Don Miller
Wastewater Plant Superintendent	Robert Huntley
Water and Sewer Director	Chad Roberts
Economic Development Director	Candice Alder

FINANCIAL SECTION

Independent Auditor's Report

Honorable Members of the City Council
City of Norfolk, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norfolk, Nebraska, as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited the City's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

Honorable Members of the City Council
City of Norfolk, Nebraska

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Honorable Members of the City Council
City of Norfolk, Nebraska

Supplementary 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 combining and individual fund statements and schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 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 City's 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 the City's internal control over financial reporting and compliance.

FORVIS,LLP

Lincoln, Nebraska
March 27, 2024

Management's Discussion and Analysis

September 30, 2023

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, 2023. 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, 2023, by \$193,187,811. Of this amount, \$39,229,319 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$11,261,896 during the year. Of this amount, the net position of Governmental Activities increased \$6,489,263 and the net position of Business-Type Activities increased \$4,772,633.
- Bonds payable increased \$528,046. Outstanding revenue bonds total \$12,273,262, general obligation bonds \$25,145,354, and special assessment bonds \$5,823,791 backed by the City's full faith and credit. Bond anticipation notes increased \$1,391,909 and total \$3,906,909.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management's 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 overall City 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 OVERALL CITY

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the overall City 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 overall City 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 Public Safety, Public Works, Library, Community Improvement, Parks and General Administration. Sales tax, revenue from lease of the City's electrical distribution system, property tax and 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 overall City. 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 OVERALL CITY

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. This year the City's net investment in capital assets is \$140,648,686.

For the year ended September 30, 2023, net position was as follows:

City of Norfolk's Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 57,712,466	\$ 62,317,385	\$ 17,477,166	\$ 17,810,023	\$ 75,189,632	\$ 80,127,408
Capital Assets	104,440,550	90,852,712	74,643,365	70,857,282	179,083,915	161,709,994
Total Assets	162,153,016	153,170,097	92,120,531	88,667,305	254,273,547	241,837,402
Deferred Outflows of Resources	22,863	23,172	-	-	22,863	23,172
Long-Term Liabilities	33,940,530	32,455,263	12,694,703	13,329,876	46,635,233	45,785,139
Other Liabilities	12,806,216	11,786,982	780,332	1,432,097	13,586,548	13,219,079
Total Liabilities	46,746,746	44,242,245	13,475,035	14,761,973	60,221,781	59,004,218
Deferred Inflows of Resources	46,779	57,933	840,039	872,508	886,818	930,441
Net Position:						
Net Investment in Capital Assets	78,739,728	71,802,323	61,908,958	58,415,848	140,648,686	130,218,171
Restricted	12,051,821	12,587,527	1,257,985	1,183,686	13,309,806	13,771,213
Unrestricted	24,590,805	24,503,241	14,638,514	13,433,290	39,229,319	37,936,531
Total Net Position	\$ 115,382,354	\$ 108,893,091	\$ 77,805,457	\$ 73,032,824	\$ 193,187,811	\$ 181,925,915

A portion of net position (7%) represents resources that are subject to external restrictions on their use. The remaining balance is unrestricted net position of \$39,229,319 and may be used to meet the City's ongoing obligations to its citizens and creditors.

Current assets decreased \$4,937,776 or 6.16% primarily due to a \$4.8 million decrease in cash. Bond proceeds issued to fund various street reconstruction projects were spent during the year on Benjamin Avenue, 1st Street bridge, and Michigan Avenue.

The biggest change in net position is the \$10,430,515 increase in net investment in capital assets. The Governmental Activities increased \$6,937,405 primarily due to North Fork River instream and Johnson Park improvements of \$2.7 million and the portion of 1st Street bridge funded with highway allocation funds of \$1.9 million. The Business-Type Activities increased \$3,493,110 primarily due to Omaha Avenue sanitary sewer rehabilitation, northeast industrial water and sewer extension, and developer contributions of water and sewer mains.

Total revenue reported in fiscal year 2023 was \$62,422,456. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

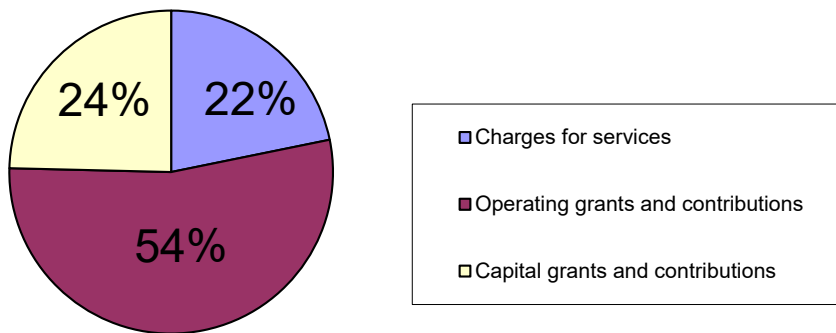
City of Norfolk's Changes in Net Position

	General Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 4,211,388	\$ 3,372,698	\$ 12,828,987	\$ 11,978,052	\$ 17,040,375	\$ 15,350,750
Operating grants and contributions	10,353,821	10,317,438	-	33,136	10,353,821	10,350,574
Capital grants and contributions	4,756,541	5,438,961	1,794,551	364,963	6,551,092	5,803,924
Total Program Revenues	19,321,750	19,129,097	14,623,538	12,376,151	33,945,288	31,505,248
General Revenues:						
Property taxes	6,809,444	6,070,915	-	-	6,809,444	6,070,915
Sales taxes	11,898,470	11,141,231	-	-	11,898,470	11,141,231
Other taxes	278,390	264,198	-	-	278,390	264,198
Occupation and franchise taxes	929,136	1,257,245	-	-	929,136	1,257,245
Interest	1,565,267	359,321	438,008	75,274	2,003,275	434,595
General intergovernmental revenues	936,490	1,856,222	-	-	936,490	1,856,222
Keno revenues	698,497	785,108	-	-	698,497	785,108
General revenue from electrical distribution system lease	4,675,776	4,666,382	-	-	4,675,776	4,666,382
Gain on sales of capital assets	56,997	19,840	-	-	56,997	19,840
Miscellaneous	171,536	203,323	19,157	14,609	190,693	217,932
Net position received from annexation	-	114,185	-	68,216	-	182,401
Total General Revenues	28,020,003	26,737,970	457,165	158,099	28,477,168	26,896,069
Total Revenues	47,341,753	45,867,067	15,080,703	12,534,250	62,422,456	58,401,317
Expenses:						
General Government	2,601,562	3,447,008	-	-	2,601,562	3,447,008
Public Safety	13,618,092	12,988,140	-	-	13,618,092	12,988,140
Public Works	10,329,746	8,763,148	-	-	10,329,746	8,763,148
Public Library	2,179,082	1,923,155	-	-	2,179,082	1,923,155
Parks and Recreation	4,410,802	3,839,233	-	-	4,410,802	3,839,233
Community Improvement and Development	6,887,790	6,791,856	-	-	6,887,790	6,791,856
Debt Service	957,970	491,339	-	-	957,970	491,339
Water System	-	-	3,124,750	3,182,728	3,124,750	3,182,728
Sewer System	-	-	4,276,271	4,192,958	4,276,271	4,192,958
Solid Waste	-	-	2,619,820	2,446,408	2,619,820	2,446,408
Stormwater	-	-	154,675	105,849	154,675	105,849
Total Expenses	40,985,044	38,243,879	10,175,516	9,927,943	51,160,560	48,171,822
Increase in Net Position before Transfers	6,356,709	7,623,188	4,905,187	2,606,307	11,261,896	10,229,495
Transfers	132,554	(748,119)	(132,554)	748,119	-	-
Increase in Net Position	6,489,263	6,875,069	4,772,633	3,354,426	11,261,896	10,229,495
Net Position - Beginning	108,893,091	102,018,022	73,032,824	69,678,398	181,925,915	171,696,420
Net Position - Ending	\$ 115,382,354	\$ 108,893,091	\$ 77,805,457	\$ 73,032,824	\$ 193,187,811	\$ 181,925,915

Program revenues totaled \$33,945,288. Of this total \$19,321,750 was program revenues from General Governmental Activities, which increased \$192,653 or 1.0% from the prior year primarily due to fees from construction related permits for Norfolk Crush for their soybean processing plant. Program revenues from Business-Type Activities were \$14,623,538, which increased \$2,247,387 from the prior year. About 87% of Business-Type Activities program revenues is use fees for water, sewer, solid waste and stormwater. Water and sewer rates increased 3.5% and solid waste rates increased 13.7% effective November 1, 2022. Stormwater rates increased \$1 per month for residential customers and \$3 per month for commercial and industrial customers also effective November 1, 2022. The remaining program revenues from Business-Type Activities consists primarily of contributions from a company to extend water and sewer lines to their new location, and developer contributions for water and sewer lines in new developments such as Medelmans Lake, River Fork Subdivision, and Walters 14th Addition. This increased capital grants and contributions \$1,429,588 from the prior year.

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

Program Revenues General Governmental

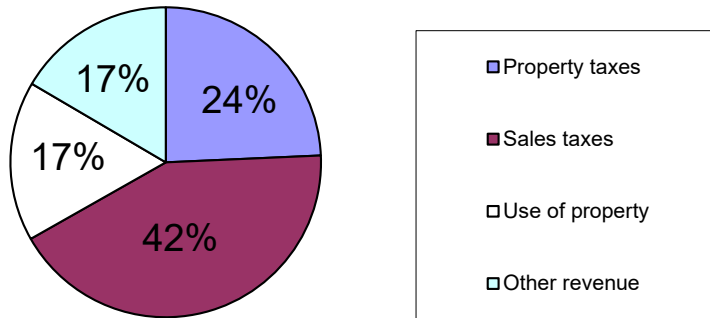


General revenues for Governmental Activities increased \$1,282,033 or 4.79% going from \$26,737,970 last year to \$28,020,003 in the current year. The largest general revenue source is sales tax, which increased \$757,239 or 6.80%. Strong economic conditions, inflation, and the recent annexation have all contributed to the increase in sales tax. The second largest general revenue source, property taxes, increased \$738,529 or 12.17%. The City normally allows its property tax to increase for any increase in assessed valuation. The City’s assessed valuation increased 14.68%, partially due to the recent annexation. Interest income increased \$1,205,946 going from \$359,321 last year to \$1,565,267 this year due to the increase in short-term interest rates. General intergovernmental revenues decreased \$919,732 primarily due to funds from the American Rescue Plan Act. In 2021-2022 the City received \$4.3 million from this Act

and recognized \$1,232,202 in revenue last year, compared to \$259,109 this year, based on when expenditures were incurred. Occupation and franchise taxes decreased \$328,109 due to the 2% food and beverage and 4% lodging occupation taxes ending November 30, 2021. These occupation taxes were restricted for debt service on the Recreation Facilities Bonds and these bonds were paid early. The annexation resulted in net position received in the prior year of \$182,401, which consisted primarily of water lines and cash on hand.

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

General Revenues General Governmental



Total expenses increased \$2,988,738 or 6.20% going from \$48,171,822 last year to \$51,160,560 this year. The increase was primarily in the Governmental Activities which increased \$2,741,165 or 7.17%, while expenses in Business-Type Activities increased \$247,573 or 2.49%.

The biggest increase was in public works, which increased \$1,566,598 going from \$8,763,148 last year to \$10,329,746 this year. The Mayor and Council have been focusing on their goal of street expansion and maintenance the last few years. This year the City hired Elkhorn Paving Construction Co. and Knife River Midwest to do asphalt overlays and concrete improvements on various streets throughout the City and this was \$2.8 million in the current year. A few of the streets improved include: 1st Street, Golfview Drive, Victory Road, Monroe Avenue, and Madison Avenue.

Public safety increased \$629,952 or 4.85% going from \$12,988,140 in the prior year to \$13,618,092 in the current year. Public safety is personnel intensive, with over 80% of expenses being personnel costs. This year there was a 6% cost of living adjustment and a 10% increase in group health insurance premiums. Parks and recreation increased \$571,569 or 14.89% also partially due to the cost of living adjustment and increase in group health insurance premiums, and due to expanding the recreation programs and

inflation on supplies and materials. In the prior year parks and recreation was not fully staffed, but it was in the current year.

Debt service went from \$491,339 last year to \$957,970 this year. In May 2022 the City issued \$20,285,000 of Highway Allocation Fund Pledge Bonds to fund street projects. The \$466,631 increase is due to \$731,435 of interest paid on these bonds, which is partially offset by paying off the Recreation Facilities Bonds and Building Bonds in the prior year. General Government decreased \$845,446 going from \$3,447,008 last year to \$2,601,562 this year. This decrease is primarily due to a \$39,555 decrease in group benefit claims and \$337,566 increase in charges for services in the Internal Service fund and the corresponding increase in operating results included in general government expense. In the prior year the City had one-time expenses to purchase the electrical distribution system in annexed areas of \$217,435 and for startup costs related to public transportation of \$201,200.

Expenses for Business-Type Activities increased \$247,573 or 2.49% going from \$9,927,943 last year to \$10,175,516 this year. This increase is partially due to a 6% cost of living adjustment and a 10% increase in group health insurance premiums. Expenses in the Sewer Division increased \$83,313 or 1.99% and expenses in the Solid Waste Division increased \$173,412 or 7.09%. Expenses in the Stormwater Division increased \$48,826 or 46.13% primarily due to additional stormwater training and increasing the administration fee paid to the General Fund. Water Division expenses decreased \$57,978 or 1.82%. In the prior year there were fees paid to a consultant to update the water master plan.

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, Fleet,
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

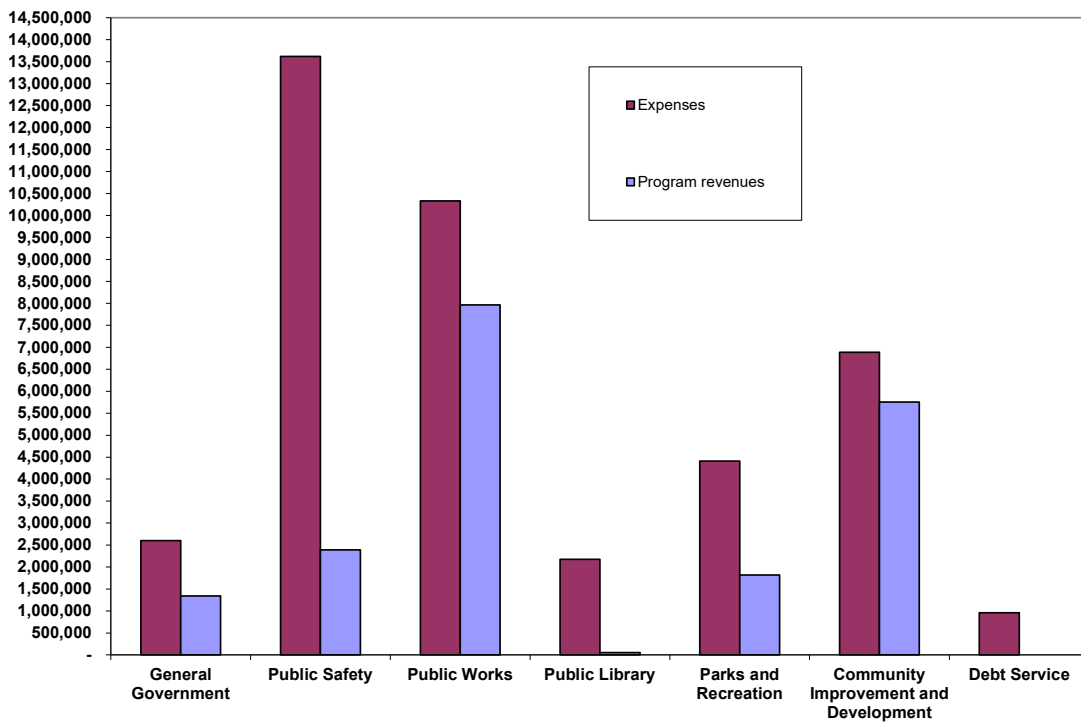
Governmental Activities

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 \$13,618,092 and total program revenues of only \$2,390,631 comprised of \$1,248,720 of charges for services, \$1,041,491 of operating grants and contributions, and \$100,420 of capital grants and contributions. The net cost of public safety was \$11,227,461 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:

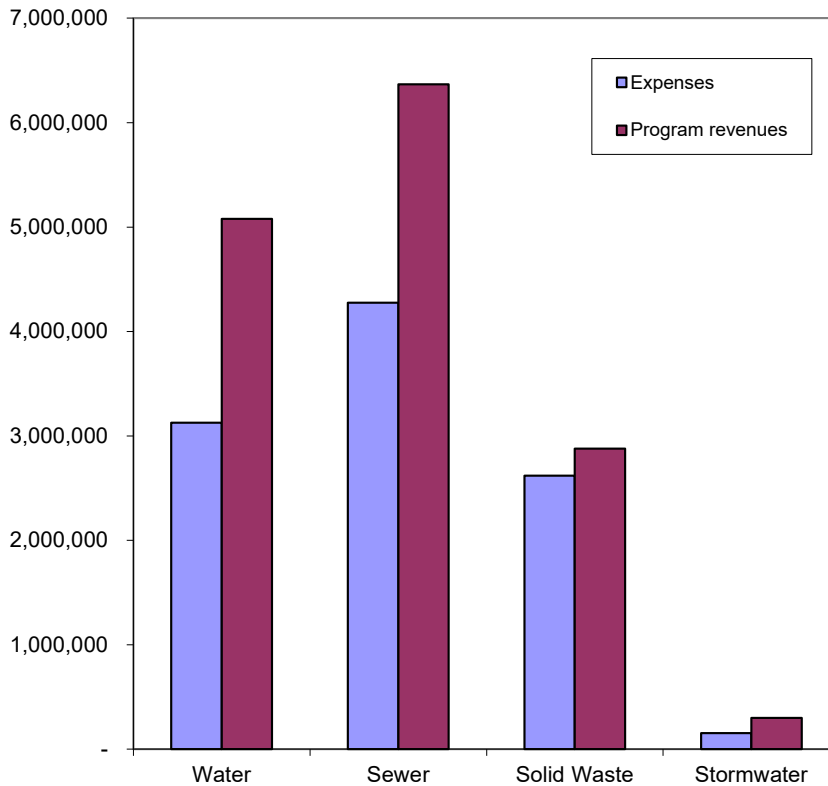
General Government.....	Fees, Nongovernmental Grants
Public Safety.....	State Revenue, Federal Grants, State Grants, Ambulance Fees and Other Charges for Service, Contributions
Public Works.....	Special Assessments, State Revenue, Charges for Services, Federal Grants, Rent, Contributed Capital
Public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

Business-Type Activities

Business-Type Activities net position increased \$4,772,633 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. As can be seen by the following chart, program revenues exceeded expenses in all four divisions during the year. Water Division program revenues exceeded expenses by \$1,954,207. Water rates are set to fund the City's water master plan, the last update of which was completed in March 2023. The update includes \$20 million of critical system improvements through 2040 and another \$48 million of improvements depending on growth. Water rates increased 3.5% effective November 1, 2022. The City updated its sewer master plan and the update includes \$10.5 million of improvements through 2040. Sewer rates increased 3.5% effective November 1, 2022 and Sewer Division program revenues exceeded expenses by \$2,089,277. Solid Waste Division program revenues exceeded expenses by \$259,305 and included a 13.7% rate increase effective November 1, 2022. Stormwater rates increased \$1 per month for residential customers and \$3 per month for commercial and industrial customers effective November 1, 2022 to fund future drainage projects. Stormwater Division revenues exceeded expenses by \$145,233.

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 \$37,362,967. The combined Governmental Fund balance decreased \$5,508,084 or 12.85% 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 \$1,279,698 increasing fund balance from \$11,225,294 last year to \$12,504,992 this year. As mentioned earlier, sales tax increased \$757,239 and property tax increased \$738,529 partially due to the recent annexation. Expenditures in most divisions were under budget. Vacant police officer positions remained unfilled as the City sees a shortage in police officers similar to the rest of the nation. Lower priority capital items were not purchased.

The City Highway Allocation Fund decreased \$9,295,614 going from \$19,700,414 last year to \$10,404,800 this year. In May 2022 the City issued \$20,285,000 of Highway Allocation Fund Pledge Bonds to fund street projects including: Benjamin Avenue reconstruction, 1st Street bridge replacement, Michigan Avenue and 8th Street reconstruction. During the current year \$8,265,077 of bond proceeds were spent on these projects. Also in the current year the City had almost \$3 million of asphalt overlays and concrete improvements on various streets throughout the City.

The Special Assessment Fund had an increase in fund balance of \$1,908,223. During the year \$192,940 of assessment revenue received in the Debt Service Fund was transferred to the Special Assessment Fund to pay off a portion of the Series 2021 bond anticipation notes. Various purpose bonds of \$1,965,000 were issued to pay off the remaining Series 2021 bond anticipation notes.

The Debt Service Fund increased \$792,826 or 14.8%. The increase is primarily property tax collections to be used on future debt service. The City plans to issue flood control bonds to fund improvements to the flood control levee to ensure it meets Federal Emergency Management Agency standards. The remaining increase of \$215,687 is special assessment collections to be used on future debt service of various purpose bonds.

The Capital Construction Fund decreased \$131,588 or 2.1%. During the year the remaining sales tax restricted for library improvements was used to construct a storywalk trail on the north side of the library for \$135,463. Progress continues on the Norfolk Fork River rehabilitation and Johnson Park projects. As most of this is funded with grants and donations, it had minimal impact on fund balance this year.

The only other major fund is the American Rescue Plan Fund, which had no change in fund balance. The City received a total of \$4.3 million and recognized \$259,109 of revenue in the current year, which is the amount spent on a downtown study, a parks master plan, pool heaters, public transportation, and technology upgrades. The remaining funds are unearned revenue and results in no change in fund balance.

Governmental nonmajor funds decreased \$61,629. The Norfolk/Madison Dispatch Fund increased \$203,382 during its second year of operation. The LB 840 Economic Development Fund decreased \$300,593 as all available funds were spent on two economic development projects. Of the remaining funds, four funds had an increase in fund balance and three funds had a decrease in fund balance. The increases ranged from \$3,381 to \$50,898 and the decreases ranged from \$3,674 to \$28,276.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was not amended during the year and included approximately \$27.8 million of revenues and \$31.2 million of expenditures resulting in a budgeted decrease in fund balance of \$3.4 million. Actual fund balance increased \$1,219,568 because revenues exceeded budget by \$2.1 million and expenditures were under budget by \$2.8 million. This combined with beginning fund balance exceeding budget by \$0.8 million, resulted in an ending fund balance of about \$5.7 million more than budgeted.

The largest amount of revenues over budget was in intergovernmental revenue which exceeded budget by \$618,852. The excess is 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, which is why property tax was \$487,386 under budget. Even though property taxes were under budget \$487,386, total taxes exceeded budget by \$301,280. This consisted of sales tax exceeding budget by \$700,394. To be conservative, a growth rate was not factored in the budget. Charges for services exceeded budget by \$387,292 primarily from ambulance fees due to an increase in calls for service and from administration fees paid by the Enterprise Funds to compensate the Engineering Division for labor provided to these funds. License and permits exceeded by \$373,933, of which \$235,080 is permits received from Norfolk Crush for construction of their soybean processing plant.

Expenditures in most categories were under budget resulting in \$2,803,129 less expenditures than budgeted. Public safety had the largest amount of under budget expenditures followed by general government. The City always budgets conservatively and expenditures are normally under budget. Vacant police officer positions remained unfilled as the City sees a shortage in police officers similar to the rest of the nation. Capital outlays are prioritized and lower priority items are often not purchased. Parks and recreation was over budget \$7,132 primarily due to unexpected costs to repair a pump at Skyview Lake.

Transfers out were over budget by \$222,866 primarily due to unbudgeted transfers to the Capital Projects Fund for warning sirens and police building architecture fees after the Council decided to change the funding sources for these projects.

CAPITAL ASSETS

The City’s investment in capital assets, including land, buildings and improvements, equipment, right-to-use lease and subscription assets, 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, 2023, was \$140,648,686 (net of accumulated depreciation/amortization and outstanding financings). The gross additions to capital assets for the last two years follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 315	\$ 18,439	\$ -	\$ -	\$ 315	\$ 18,439
Leased land	-	8,196	-	-	-	8,196
Buildings and improvements	1,774,179	255,420	5,288,244	18,320	7,062,423	273,740
Water distribution and sewage system	-	-	2,030,430	2,976,026	2,030,430	2,976,026
Equipment, furniture and fixtures	1,704,726	1,935,976	594,309	633,026	2,299,035	2,569,002
Right-to-use subscription assets	48,529	-	48,530	-	97,059	-
Infrastructure	2,886,393	2,683,486	-	-	2,886,393	2,683,486
Construction in progress	14,681,492	12,207,136	3,934,943	6,252,156	18,616,435	18,459,292
Total Gross Additions	\$ 21,095,634	\$ 17,108,653	\$ 11,896,456	\$ 9,879,528	\$ 32,992,090	\$ 26,988,181

Gross additions to capital assets for Governmental Activities were \$21,095,634 compared to \$17,108,653 of additions in the prior year. The largest project in the current year is the riverfront project, which consists of: 1st Street bridge replacement, North Fork River rehabilitation, and improvements at Johnson Park. Approximately \$5.6 million was added to construction in progress for this project. Another large project is reconstruction of Benjamin Avenue from 4 lanes to 5 lanes from 1st Street to 13th Street. This is a multiyear project and \$4,819,575 was added to construction in progress this year. Approximately \$2.2 million is streets in new subdivisions and \$2 million is reconstruction of Michigan Avenue and 8th Street. Other significant additions in the current year include: baseball infield turf, ambulance, street sweeper, warning sirens, trail projects, and two snow plows.

Total gross additions to capital assets for Business-Type activities were \$11,896,456 compared to \$9,879,528 in the prior year. The largest addition in the current year was capitalization of the transfer station project for \$5,266,822. This project included a truck maintenance facility, new scalehouse, scales, extensive concrete, and improved site security. Significant additions to water distribution and sewage system include: water extension on Channel Road, Omaha Avenue sewer rehabilitation, and developer contributions of water and sewer lines in new subdivisions. Significant additions to

construction in progress include: northeast industrial water and sewer extensions, west water treatment plant upgrades and collector well, and Michigan Avenue and 8th Street water and sewer improvements.

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

DEBT ADMINISTRATION

At year-end the City had \$43,242,407 of bonded debt outstanding, net of original issue discounts/premiums. This is an increase of \$528,046 from the prior year. During the year the City issued \$1,965,000 of various purpose bonds to pay off special assessment bond anticipation notes and provide permanent financing for a paving district, two water districts, and two sewer districts.

Moody's rated the Series 2022 Various Purpose Bonds Aa3. The ratio of general bonded debt to assessed real property value for the City has decreased from 1.55% in 2014 to 0.93% currently due to an increase in assessed valuation over the last 10 years. Total debt per capita was \$1,210.93 in 2014 compared to \$1,652.03 in 2022, the most recent date per capita information is available. The debt coverage ratio for the City's enterprise bonds is 5.62.

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 9 of the financial statements.

ECONOMIC FACTORS

In 2020 the City updated its sewer master plan and in 2023 the water master plan was updated. Water and sewer rates are set to fund capital improvements identified in the plans. Water rates increased 6.25% and sewer rates increased 3.5% effective February 1, 2024.

The City was awarded a \$435,000 Downtown Revitalization Grant to assist with commercial rehabilitation activities in downtown Norfolk in the form of façade improvements. A small portion of the grant will be used for sidewalk improvements.

A \$1.5 million infrastructure grant was awarded from the State of Nebraska Department of Economic Development to replace the old grit removal system and building, along with upgrading the lift pumping system and upgrading the overland receiving station at the water pollution control plant. The project will allow for better treatment and higher flow of wastewater through the plant.

Another grant was awarded for improvements at Johnson Park. This is a \$2 million grant from the State of Nebraska Department of Natural Resources that will fund an ice rink,

nature playground, pedestrian bridge, restroom, concession area, gatehouse improvements, splash pad, landscaping, and signage.

The City was awarded a \$300,000 Site and Building Development Fund Grant from the State of Nebraska Department of Economic Development to assist Milk Specialties Global with expansion of their current plant in Norfolk.

High health claims in the City's self-funded health insurance plan over the past years has caused a need to increase group health insurance premiums. Premiums for both the City's share and employee's share increased 5% effective October 1, 2023. Future increases of 4% annually thereafter are anticipated.

The City's property tax levy rate for the 2023-2024 budget decreased .011189 per \$100 of valuation.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$12,190,412. The City has appropriated \$3,375,630 of this amount for spending in the 2023-2024 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, 2023
With Summarized Financial Information as of September 30, 2022

	Primary Government		Totals	
	Governmental	Business-Type	2023	2022
	Activities	Activities		
ASSETS				
Cash and Equity in Pooled Investment Account	\$ 49,038,971	\$ 11,960,165	\$ 60,999,136	\$ 65,809,018
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	218,744	2,434,591	2,653,335	2,458,080
Taxes	2,349,238	-	2,349,238	2,200,950
Accrued Interest	282,542	87,360	369,902	23,016
Special Assessments	3,067,700	558,514	3,626,214	4,122,507
Notes	973,165	-	973,165	1,017,738
Leases	44,195	863,006	907,201	930,019
Settlements	163,687	-	163,687	100,548
TIF Bond	129,217	-	129,217	177,708
Due from Other Governmental Agencies	1,271,399	-	1,271,399	1,582,653
Inventories	49,359	202,857	252,216	273,421
Prepaid Assets	120,269	9,141	129,410	138,999
Net Pension Asset	3,980	-	3,980	-
Restricted Assets:				
Cash and Cash Equivalents	-	1,361,532	1,361,532	1,292,751
Capital Assets not Being Depreciated	36,560,409	6,473,707	43,034,116	33,280,593
Capital Assets, Net of Accumulated Depreciation & Amortization	67,880,141	68,169,658	136,049,799	128,429,401
Total Assets	162,153,016	92,120,531	254,273,547	241,837,402
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of Resources Related to Pensions	22,863	-	22,863	23,172
Total Deferred Outflows of Resources	22,863	-	22,863	23,172
LIABILITIES				
Accounts Payable	5,278,799	676,785	5,955,584	6,361,324
Unearned Revenue	3,271,321	-	3,271,321	3,919,087
Accrued Interest Payable	349,187	-	349,187	314,603
Bond Anticipation Notes	3,906,909	-	3,906,909	2,515,000
Payables from Restricted Assets:				
Accrued Revenue Bond Interest	-	103,547	103,547	109,065
Revenue Bonds - Current	-	630,000	630,000	615,000
Noncurrent Liabilities:				
Due within one year:				
General Obligation Bonds	420,000	-	420,000	415,000
Various Purpose Bonds	550,000	-	550,000	365,000
Leases	20,668	15,923	36,591	36,410
Subscription Liability	41,601	7,824	49,425	-
Compensated Absences and Benefits	1,364,328	174,130	1,538,458	1,407,708
Due in more than one year:				
Revenue Bonds Payable	-	11,643,262	11,643,262	12,316,929
General Obligation Bonds	24,725,354	-	24,725,354	25,167,432
Various Purpose Bonds	5,273,791	-	5,273,791	3,835,000
Leases	30,459	15,961	46,420	83,012
Subscription Liability	67,652	32,378	100,030	-
Compensated Absences and Benefits	1,446,677	175,225	1,621,902	1,515,643
Net Pension Liability	-	-	-	28,005
Total Liabilities	46,746,746	13,475,035	60,221,781	59,004,218
DEFERRED INFLOWS OF RESOURCES				
Lease Related	46,779	840,039	886,818	930,441
Total Deferred Outflows of Resources	46,779	840,039	886,818	930,441
NET POSITION				
Net Investment in Capital Assets	78,739,728	61,908,958	140,648,686	130,218,171
Restricted for:				
Debt Service	5,790,368	1,257,985	7,048,353	6,215,812
Road Projects	1,694,852	-	1,694,852	2,725,389
Community Programs & Services	4,566,601	-	4,566,601	4,830,012
Unrestricted	24,590,805	14,638,514	39,229,319	37,936,531
Total Net Position	\$ 115,382,354	\$ 77,805,457	\$ 193,187,811	\$ 181,925,915

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

With Summarized Financial Information for the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
							2023	2022
Primary Government:								
Governmental Activities:								
General Government	\$ 2,601,562	\$ 1,329,447	\$ 11,635	\$ -	\$ (1,260,480)	\$ (1,260,480)	\$ (2,276,507)	
Public Safety	13,618,092	1,248,720	1,041,491	100,420	(11,227,461)	(11,227,461)	(10,754,560)	
Public Works	10,329,746	141,515	4,372,926	3,451,154	(2,364,151)	(2,364,151)	(2,342,215)	
Public Library	2,179,082	26,223	24,484	-	(2,128,375)	(2,128,375)	(1,837,860)	
Parks and Recreation	4,410,802	570,685	43,537	1,204,967	(2,591,613)	(2,591,613)	(617,982)	
Community Improvement and Development	6,887,790	894,798	4,859,748	-	(1,133,244)	(1,133,244)	(794,319)	
Debt Service	957,970	-	-	-	(957,970)	(957,970)	(491,339)	
Total Governmental Activities	40,985,044	4,211,388	10,353,821	4,756,541	(21,663,294)	(21,663,294)	(19,114,782)	
Business-Type Activities:								
Water Division	3,124,750	4,023,336	-	1,055,621		1,954,207	962,522	
Sewer Division	4,276,271	5,626,618	-	738,930		2,089,277	1,372,645	
Solid Waste Division	2,619,820	2,879,125	-	-		259,305	63,825	
Stormwater Division	154,675	299,908	-	-		145,233	49,216	
Total Business-Type Activities:	10,175,516	12,828,987	-	1,794,551		4,448,022	2,448,208	
Total Primary Government	\$ 51,160,560	\$ 17,040,375	\$ 10,353,821	\$ 6,551,092	(21,663,294)	4,448,022	(17,215,272)	(16,666,574)
General Revenues:								
Property Taxes					6,809,444	-	6,809,444	6,070,915
Sales Taxes					11,898,470	-	11,898,470	11,141,231
Other Taxes					278,390	-	278,390	264,198
Occupation and Franchise Taxes					929,136	-	929,136	1,257,245
Interest					1,565,267	438,008	2,003,275	434,595
General Intergovernmental Revenues Unrestricted					936,490	-	936,490	1,856,222
Unrestricted Keno Revenue					698,497	-	698,497	785,108
General Revenue from Electrical Distribution System Lease					4,675,776	-	4,675,776	4,666,382
Gain on Sale of Capital Assets					56,997	-	56,997	19,840
Miscellaneous					171,536	19,157	190,693	217,932
Interfund Transfers					132,554	(132,554)	-	-
Net Position Received from Annexation					-	-	-	182,401
Total General Revenues and Transfers					28,152,557	324,611	28,477,168	26,896,069
Change in Net Position					6,489,263	4,772,633	11,261,896	10,229,495
Net Position - Beginning					108,893,091	73,032,824	181,925,915	171,696,420
Net Position - Ending					\$ 115,382,354	\$ 77,805,457	\$ 193,187,811	\$ 181,925,915

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA

BALANCE SHEET

Governmental Funds

September 30, 2023

	City					Other	Total	
	General	Highway Allocation	American Rescue Plan	Debt Service	Special Assessments	Capital Construction	Governmental Funds	Governmental Funds
Assets								
Cash and Equity in Pooled Investment Account	\$ 9,067,878	\$ 13,797,577	\$ 2,836,836	\$ 5,826,907	\$ 3,560,975	\$ 7,026,033	\$ 2,335,727	\$ 44,451,933
Cash at County Treasurer	638,646	-	-	106,197	-	-	11,880	756,723
Receivables (Net, where applicable, of allowance for uncollectibles)								
Accounts	216,364	-	-	-	-	320	2,060	218,744
Taxes	2,267,176	-	-	20,907	-	-	61,155	2,349,238
Accrued Interest	48,087	118,039	-	34,052	633	44,606	13,338	258,755
Special Assessments	41,470	-	-	3,026,230	-	-	-	3,067,700
Notes	-	-	-	-	-	-	973,165	973,165
Leases	44,195	-	-	-	-	-	-	44,195
Settlements	163,687	-	-	-	-	-	-	163,687
TIF Bond	-	-	-	129,217	-	-	-	129,217
Due from Other Governmental Agencies	553,273	354,425	-	-	-	344,298	19,403	1,271,399
Inventories	23,273	-	-	-	-	-	-	23,273
Prepaid Assets	87,625	-	-	-	-	-	32,644	120,269
Total Assets	13,151,674	14,270,041	2,836,836	9,143,510	3,561,608	7,415,257	3,449,372	53,828,298
Liabilities								
Accounts Payable	237,659	3,865,241	974	-	38,910	805,036	5,211	4,953,031
Unearned Revenue	74,863	-	2,835,862	-	-	360,596	-	3,271,321
Bond Anticipation Notes	-	-	-	-	3,906,909	-	-	3,906,909
Total Liabilities	312,522	3,865,241	2,836,836	-	3,945,819	1,165,632	5,211	12,131,261
Deferred Inflows of Resources								
Unavailable Revenue-Property Taxes	56,029	-	-	10,173	-	-	-	66,202
Unavailable Revenue-Loan Repayments	-	-	-	-	-	-	968,447	968,447
Unavailable Revenue-Special Assessments	34,114	-	-	2,864,565	-	-	-	2,898,679
Unavailable Revenue-Grants	33,551	-	-	-	-	11,335	16,173	61,059
Lease Related	46,779	-	-	-	-	-	-	46,779
Unavailable Revenue-TIF Bond	-	-	-	129,217	-	-	-	129,217
Unavailable Revenue-Settlements	163,687	-	-	-	-	-	-	163,687
Total Deferred Inflows of Resources	334,160	-	-	3,003,955	-	11,335	984,620	4,334,070
Fund Balances (Deficits)								
Non Spendable	110,898	-	-	-	-	-	32,644	143,542
Restricted	29,830	10,404,800	-	6,139,555	-	1,965,913	2,426,897	20,966,995
Committed	-	-	-	-	-	5,123	-	5,123
Assigned	173,852	-	-	-	-	4,267,254	-	4,441,106
Unassigned	12,190,412	-	-	-	(384,211)	-	-	11,806,201
Total Fund Balances (Deficits)	12,504,992	10,404,800	-	6,139,555	(384,211)	6,238,290	2,459,541	37,362,967
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,151,674	\$ 14,270,041	\$ 2,836,836	\$ 9,143,510	\$ 3,561,608	\$ 7,415,257	\$ 3,449,372	\$ 53,828,298

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, 2023

Total Fund Balance - Governmental Funds (page 33)	\$ 37,362,967
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	104,440,550
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.	3,528,333
Unavailable revenues that provide financial resources for governmental activities	4,287,293
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 financial resources for governmental activities	(349,187)
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the funds.	22,863
Net pension asset is not a current financial resource and, therefore, not reported in the funds.	3,980
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(33,940,530)</u>
Total Net Position - Governmental Activities (page 31)	<u><u>\$ 115,382,354</u></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, 2023

	General	City Highway Allocation	American Rescue Plan	Debt Service	Special Assessments	Capital Construction	Other Governmental Funds	Total Governmental Funds
Revenue:								
Taxes	\$ 17,686,596	\$ -	\$ -	\$ 981,561	\$ -	\$ -	\$ 98,320	\$ 18,766,477
Special Assessments	22,702	-	-	533,980	-	-	-	556,682
Licenses and Permits	781,464	-	-	-	-	-	-	781,464
Intergovernmental Revenue	1,111,133	4,337,751	259,109	91,890	-	2,057,979	1,362,451	9,220,313
Nongovernmental Grants	21,181	-	-	-	-	-	-	21,181
Charges for Services	2,993,100	-	-	-	-	-	222,729	3,215,829
Keno Revenue	698,497	-	-	-	-	-	-	698,497
Occupation and Franchise Taxes	753,364	-	-	-	-	-	175,772	929,136
Contributions	11,487	-	-	-	-	859,032	-	870,519
Payments in Lieu of Taxes	229,324	-	-	40,723	-	-	-	270,047
Parking Fees and Rentals	4,698,220	-	-	-	-	22,684	-	4,720,904
Loan Repayments	-	-	-	-	-	-	47,610	47,610
Interest	219,993	589,659	-	310,013	4,283	231,700	84,370	1,440,018
TIF Bond Revenue	-	-	-	-	-	-	4,140,596	4,140,596
Miscellaneous	174,512	-	-	-	-	15,550	898	190,960
Total Revenue	29,401,573	4,927,410	259,109	1,958,167	4,283	3,186,945	6,132,746	45,870,233
Current Expenditures:								
Public Safety	11,081,111	-	-	-	-	557,293	1,679,250	13,317,654
Public Works	4,526,031	13,076,589	-	-	278,216	2,453,024	66,406	20,400,266
Public Library	1,853,288	-	-	-	-	132,189	-	1,985,477
Parks and Recreation	3,606,992	-	88,087	-	-	2,128,946	-	5,824,025
Community Improvement and Development	1,266,148	-	170,048	-	-	40,048	5,369,177	6,845,421
General Government	3,458,064	-	974	-	-	5,388	-	3,464,426
Debt Service:								
Debt Service	70,012	731,435	-	972,400	13,005	-	38,930	1,825,782
Total Expenditures	25,861,646	13,808,024	259,109	972,400	291,221	5,316,888	7,153,763	53,663,051
Excess (Deficiency) of Revenues Over Expenditures	3,539,927	(8,880,614)	-	985,767	(286,938)	(2,129,943)	(1,021,017)	(7,792,818)
Other Financing Sources (Uses):								
Issuance of Debt	-	-	-	-	1,965,000	-	-	1,965,000
Premium on Bonds	-	-	-	-	37,221	-	-	37,221
Information Technology Subscriptions	48,529	-	-	-	-	-	-	48,529
Insurance Proceeds	48,688	-	-	-	-	-	-	48,688
Transfers In	415,000	-	-	-	192,940	1,998,355	1,073,908	3,680,203
Transfers Out	(2,772,446)	(415,000)	-	(192,941)	-	-	(114,520)	(3,494,907)
Total Other Financing Sources (Uses)	(2,260,229)	(415,000)	-	(192,941)	2,195,161	1,998,355	959,388	2,284,734
Net Change in Fund Balance	1,279,698	(9,295,614)	-	792,826	1,908,223	(131,588)	(61,629)	(5,508,084)
Fund Balances Beginning of Year	11,225,294	19,700,414	-	5,346,729	(2,292,434)	6,369,878	2,521,170	42,871,051
Fund Balances End of Year	\$ 12,504,992	\$ 10,404,800	\$ -	\$ 6,139,555	\$ (384,211)	\$ 6,238,290	\$ 2,459,541	\$ 37,362,967

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, 2023

Net change in fund balances - total governmental funds (page 35) \$ (5,508,084)

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

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:

Expenditures for capital assets	\$ 18,825,670	
Depreciation expense	<u>(4,943,587)</u>	13,882,083

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and donations). (363,217)

Revenues in the statement of activities that are not available to provide current financial resources (1,115,020)

Accrued interest expense that does not require current financial resources (34,584)

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: (237,832)

Pension expenses reported in the statement of activities do not require the use of current financial resources. 31,496

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. 982,774

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:

Bonded debt	(1,965,000)	
Premium on bonded debt	(37,221)	
Subscriptions	<u>(48,529)</u>	(2,050,750)

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 35,508

The repayment of the principal of 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 long-term debt. The principal paid on long-term debt during the current year was:

Bonded debt	780,000	
Leases	20,527	
Subscriptions	<u>66,362</u>	866,889

Change in net position of governmental activities (page 32) \$ 6,489,263

CITY OF NORFOLK, NEBRASKA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2023

	Business Type Activities Combined Utilities	Governmental Activities Internal Service
ASSETS		
Current Assets:		
Cash and Equity in Pooled Investment Account	\$ 11,960,165	\$ 3,830,315
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	2,434,591	-
Accrued Interest	87,360	23,785
Special Assessments	558,514	-
Leases	863,006	-
Restricted Cash		
Cash and Cash Equivalents	733,547	-
Inventories	202,857	-
Prepaid Assets	9,141	-
Total Current Assets	<u>16,849,181</u>	<u>3,854,100</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	627,985	-
Capital Assets:		
Land	3,377,377	-
Construction in Progress	3,096,330	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation & Amortization	68,169,658	-
Total Noncurrent Assets	<u>75,271,350</u>	<u>-</u>
Total Assets	<u>92,120,531</u>	<u>3,854,100</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	676,785	325,767
Accrued Compensated Absences	174,130	-
Leases - Current	15,923	-
Subscription Liability - Current	7,824	-
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	103,547	-
Revenue Bonds - Current	630,000	-
Total Current Liabilities	<u>1,608,209</u>	<u>325,767</u>
Noncurrent Liabilities:		
Due in more than one year:		
Leases	15,961	-
Subscription Liability	32,378	-
Revenue Bonds Payable	11,643,262	-
Compensated Absences and Benefits, Long-Term	175,225	-
Total Noncurrent Liabilities	<u>11,866,826</u>	<u>-</u>
Total Liabilities	<u>13,475,035</u>	<u>325,767</u>
DEFERRED INFLOWS OF RESOURCES		
Lease Related	840,039	-
Total Deferred Outflows of Resources	<u>840,039</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	61,908,958	-
Restricted for:		
Debt Covenants	1,257,985	-
Unrestricted	14,638,514	3,528,333
Total Net Position	<u>\$ 77,805,457</u>	<u>\$ 3,528,333</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, 2023

	Business Type Activities	Governmental Activities
	Combined Utilities	Internal Service
Operating Revenues:		
Charges for Services	\$ 12,729,049	\$ 5,460,078
Rental Income	99,938	-
Miscellaneous Income	19,157	-
Total Operating Revenue	12,848,144	5,460,078
Operating Expenses:		
Payroll and Related Taxes and Benefits	3,225,757	-
Purchased Services	873,080	-
General and Administration	2,126,800	4,602,554
Repairs and Maintenance	1,240,689	-
Utilities	645,650	-
Depreciation and Amortization	1,775,916	-
Total Operating Expenses	9,887,892	4,602,554
Operating Income	2,960,252	857,524
Non-Operating Income (Expense):		
Interest Income	438,008	125,250
(Loss) on Disposal of Capital Assets	(19,674)	-
Interest on Bonds and Other Debt	(278,735)	-
Total Non-Operating Income (Expenses)	139,599	125,250
Income before Contributions and Transfers	3,099,851	982,774
Capital Contributions	1,858,078	-
Transfers (Out)	(185,296)	-
Change in Net Position	4,772,633	982,774
Net Position - Beginning of Year	73,032,824	2,545,559
Net Position - End of Year	\$ 77,805,457	\$ 3,528,333

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended September 30, 2023

	Business Type Activities	Governmental Activities
	Combined Utilities	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 12,825,134	\$ 5,471,002
Cash Paid to Suppliers for Goods and Services	(5,109,685)	(5,041,056)
Cash Paid to Employees for Services	(3,226,581)	-
Net Cash Provided by Operating Activities	<u>4,488,868</u>	<u>429,946</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers (to) Other Funds	(185,296)	-
Net Cash (Used) for Noncapital Financing Activities	<u>(185,296)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(5,077,880)	-
Capital Grants and Contributions	545,304	-
Interest on Leases Receivable	14,062	-
Principal on Leases Receivable	10,438	-
Principal Paid on Capital Debt	(639,212)	-
Interest Paid on Capital Debt	(327,921)	-
Net Cash (Used) for Capital and Related Financing Activities	<u>(5,475,209)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	343,132	102,832
Net Cash Provided for Investing Activities	<u>343,132</u>	<u>102,832</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(828,505)	532,778
Cash and Cash Equivalents at Beginning of Year	<u>14,150,202</u>	<u>3,297,537</u>
Cash and Cash Equivalents at End of Year	<u>\$ 13,321,697</u>	<u>\$ 3,830,315</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, 2023

	Business Type Activities	Governmental Activities
	Combined Utilities	Internal Service
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 2,960,252	\$ 857,524
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,775,916	-
(Increase) Decrease in Assets:		
Accounts Receivable	6,816	-
Special Assessments	2,644	-
Prepaid Assets	(168)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(223,298)	(427,578)
Accrued Compensated Absences	(825)	-
Deferred Inflows of Resources	(32,469)	-
Total Adjustments	1,528,616	(427,578)
Net Cash Provided by Operating Activities	\$ 4,488,868	\$ 429,946

Supplemental Schedule of Noncash Capital and Related Financing Activities:

Contribution of Distribution System Assets	\$ 878,212	\$ -
Accounts Payable Exchanged for Capital Assets	389,059	-
Subscription Assets Acquired Through Contract	48,530	-

Reconciliation of Cash and Cash Equivalents to the Balance Sheet:

Cash and Equity in Pooled Investment Account	\$ 11,960,165	\$ 3,830,315
Restricted Cash - Current	733,547	-
Restricted Cash - Noncurrent	627,985	-
	\$ 13,321,697	\$ 3,830,315

See Accompanying Notes to Financial Statements

CITY OF NORFOLK, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds
September 30, 2023

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
	<u>Employee Retirement Funds</u>	<u>Community Development Agency</u>
ASSETS		
Current Assets:		
Cash	\$ -	\$ 1,050,366
Cash at County Treasurer	-	239,621
Guaranteed Insurance Contracts Managed by Trustee	14,415,285	-
Open Ended Mutual Funds Managed by Trustee	40,795,956	-
Taxes Receivable	-	2,373
Total Current Assets	<u>55,211,241</u>	<u>1,292,360</u>
LIABILITIES		
Current Liabilities:		
Due to Bondholders	-	1,292,360
Total Current Liabilities	<u>-</u>	<u>1,292,360</u>
FIDUCIARY NET POSITION		
Restricted for Pensions	<u>\$ 55,211,241</u>	<u>\$ -</u>

CITY OF NORFOLK, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended September 30, 2023

	Pension Trust Funds	Custodial Fund
	Employee Retirement Funds	Community Development Agency
ADDITIONS		
Contributions:		
Employer	\$ 1,250,104	\$ -
Employee	1,443,447	-
Total Contributions	<u>2,693,551</u>	<u>-</u>
Property Taxes	-	1,709,762
Investment Income:		
Interest, Dividends and Market Gain	<u>6,523,476</u>	<u>22,211</u>
Total Additions	<u>9,217,027</u>	<u>1,731,973</u>
DEDUCTIONS		
Pension Benefits	5,720,364	-
Contribution Refunds	166,418	-
Administrative Costs	22,849	-
Taxes Distributed or Owed to Bondholders	<u>-</u>	<u>1,731,973</u>
Total Deductions	<u>5,909,631</u>	<u>1,731,973</u>
Change in Net Position	3,307,396	-
Fiduciary Net Position -- Beginning of Period	<u>51,903,845</u>	<u>-</u>
Fiduciary Net Position -- End of Period	<u><u>\$ 55,211,241</u></u>	<u><u>\$ -</u></u>

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. The City currently has no component units which meet the criteria to be reported as discretely presented component units.

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. To provide for redevelopment of various blighted areas within the City, the Mayor and Council 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, and is included within the City's financial statements as a fiduciary custodial fund.

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, available upon request at 309 North 5th 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 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 1310 West Norfolk Avenue Suite D 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 13th Street in Norfolk Nebraska.

B. Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the overall City) 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. 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 Funds

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

American Rescue Plan Fund – To account for funding from the American Rescue Plan Act and to document the projects funded.

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

- 4) Capital Project Funds

Special Assessments 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 and construction of major capital items other than those financed by proprietary funds and trust funds, or special assessments.

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 similar to those applicable to 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 trustee's 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, civilian, and 457 deferred compensation retirement funds in its combined retirement fund.

- 2) Custodial 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 redevelopment of various blighted 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, special assessments, and loan repayments 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, including lease and subscription liabilities, 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 annual comprehensive 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.

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, 2023, 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. 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.
4. Governmental Fund Types – Contributions and grants for both capital and operating purposes are included in revenues when earned.
5. Estimated Unbilled Enterprise Revenue – Within the City’s enterprise fund, an estimated amount has been recorded for services rendered but not yet billed as of the close of the year involved. The receivable was arrived at by taking the cycle billings the City sent the customer in October and November and prorating the amount of days applicable to the current year. This unbilled revenue totaled \$1,145,697 at September 30, 2023.
6. 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.
7. Restricted Assets – Proceeds from debt and funds set aside for payment of enterprise fund revenue bonds are classified as restricted assets since their use is limited by applicable bond indentures.
8. Property and Equipment – Assets with an initial individual cost of \$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 (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in Note 1.F.12 and 13.). 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 as required by GASB 34. Depreciation/amortization

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	40 – 50 Years
Utility Plant	20 – 100 Years
Right-to-Use Leased Assets	5 – 15 Years
Right-to-Use Subscription Assets	3 – 15 Years
Machinery & Equipment	3 – 25 Years
Infrastructure	30 – 100 Years

9. Accrued Compensated Absences – These amounts represent the unpaid vacation costs and related employee benefits as of the end of the period. All compensated amounts for governmental and proprietary fund types are accrued as liabilities on the government-wide statement for governmental funds and applicable enterprise funds respectively and are not recorded as expenditures of the current reporting period for governmental fund types because they do not represent amounts that are expected to be liquidated with expendable available financial resources. 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 sick leave benefits in which the employee becomes vested after twenty years of service. The compensated absence liability has been computed based on rates of pay in effect at September 30, 2023. The compensated absence liability attributable to governmental activities will be paid primarily by the General Fund.
10. Long-Term Obligations – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. 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.
11. 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 and right-to-use leased and subscription assets, including Infrastructure, into one component of net position. Accumulated depreciation and amortization, outstanding balances of debt, subscriptions, leases and accounts payable that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt also are included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

12. Leases – The City is a lessee for noncancellable leases of assets. A lease liability and an intangible right-to-use leased asset are recognized in the government-wide and proprietary fund financial statements. Lease liabilities with an initial individual value of \$5,000 or more are recognized. At the commencement of a lease, the lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for noncancellable leases of assets. A lease receivable and deferred inflow of resources are recognized in the government-wide and governmental fund financial statements. At the commencement of a lease, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City uses the rate stated in the lease

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

agreement as the discount rate for leases. If no rate is stated, the City uses its estimated incremental borrowing rate.

13. Subscription Based Information Technology Arrangements (SBITAs) – The City is committed under various service based IT arrangements. A subscription liability and an intangible right-to-use subscription asset are recognized in the government-wide and proprietary fund financial statements. Subscription liabilities with an initial individual value of \$5,000 or more are recognized. At the commencement of the subscription term, the liability is measured at the present value of payments expected to be made during the subscription term. Subsequently the liability is reduced by the principal portion of the subscription payments made. The subscription asset is measured as the initial amount of the liability, adjusted for any payments made at or before the subscription commencement date. Subsequently the subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. Subscription assets are reported with other capital assets.
14. 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.
15. 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.
16. 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.
17. 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 13 for current year encumbrances.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 four GASB Statements. Statement No. 91 *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public, partnership arrangements and provides guidance for accounting and financial reporting availability payment arrangements. Statement No. 99 *Omnibus 2022* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues identified during implementation of application of certain GASB statements and accounting and financial reporting for financial guarantees. The implementation of these statements did not have an impact on the City's Financial Statements. Statement No. 96 *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users by defining a SBITA, establishing a SBITA results in a right-to-use subscriptions asset and corresponding subscription liability, providing the capitalization criteria, and requiring note disclosures. See Note 7 for more information. Beginning net position/fund balance and the previously reported change in net position/fund balance did not require restatement as a result of the implementation of Statement No. 96.

New Accounting Pronouncements Not Yet Adopted

In June 2022, GASB issued Statement No. 100 *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will be effective for the City's year ending September 30, 2024.

NOTE 2 - CASH AND EQUITY IN POOLED INVESTMENT ACCOUNT

A. Cash and Pooled Investments:

At September 30, 2023, the City's cash and pooled investments consisted of the following:

Cash, principally in interest bearing accounts (at cost)	\$ 10,806,828
Money Market Account (at cost)	19,218,150
Certificates of Deposit (Cost = Fair Value)	20,000,000
United States Treasury (Cost, which approximates Fair Value)	12,335,690
	\$ 62,360,668

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 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.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

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

Treasury obligations and fully collateralized bank certificates of deposits with maximum maturities of approximately one year. At September 30, 2023 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.

B. Investments Managed by Trustee:

The City acts as the Trustee for the Pension Trust Funds, and has delegated administration for the plan assets to an insurance company. Plan participants are able to invest their assets in a variety of investment options, which are selected, and can be modified, by the City. 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, 2023, \$14,415,285 was held in these guaranteed insurance contracts. The other pension assets are invested in open-ended mutual funds, which are stated at net asset value, and, at September 30, 2023, amounted to \$40,795,956. As the mutual funds are open-ended, they are not subject to credit risk disclosures. Additionally, the funds are redeemable immediately and are thus not subject to interest rate risk.

C. Restricted Assets:

The following schedule details the restricted assets at September 30, 2023:

	Enterprise Fund
Pursuant to revenue bond ordinances:	
Revenue bond account	\$ 580,532
Operation and maintenance account	781,000
	\$ 1,361,532

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.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not recover the value of its investment securities that are in the possession of an outside party.

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.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City uses outside investment advisors to monitor investments to minimize the impact of credit risk.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

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

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

NOTE 3 – RECEIVABLES

Receivables at September 30, 2023, are net of allowance for uncollectibles. The allowance for uncollectibles in the General Fund was \$388,000 at September 30, 2023.

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 2023, there were no short-term payables.

As of September 30, 2023, there were no long-term advances.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance October 1, 2022 (as restated)	Additions	Deletions	Transfers	Balance September 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,630,354	\$ 315	\$ 191,789	\$ -	\$ 9,438,880
Construction in Progress	14,809,214	14,681,492	2,305,650	(63,527)	27,121,529
Total capital assets not being depreciated	24,439,568	14,681,807	2,497,439	(63,527)	36,560,409
Capital assets being depreciated/amortized:					
Right-to-use leased land	21,971	-	-	-	21,971
Buildings and improvements	33,202,030	1,774,179	656,331	(12,520)	34,307,358
Right-to-use leased buildings and improvements	70,166	-	-	-	70,166
Equipment, furniture and fixtures	17,721,881	1,698,069	1,343,872	6,657	18,082,735
Right-to-use subscription asset	127,086	48,529	-	-	175,615
Infrastructure	76,296,794	2,886,393	-	-	79,183,187
Total capital assets being depreciated/amortized	127,439,928	6,407,170	2,000,203	(5,863)	131,841,032
Less: Accumulated depreciation/amortization for:					
Right-to-use leased land	2,564	2,837	-	-	5,401
Buildings and improvements	12,841,845	1,074,922	572,103	(12,520)	13,332,144
Right-to-use leased buildings and improvements	17,915	17,914	-	-	35,829
Equipment, furniture and fixtures	11,563,056	1,238,051	1,293,643	(4,128)	11,503,336
Right-to-use subscription asset	-	48,079	-	-	48,079
Infrastructure	36,474,318	2,561,784	-	-	39,036,102
Total accumulated depreciation/amortization	60,899,698	4,943,587	1,865,746	(16,648)	63,960,891
Total capital assets being depreciated/amortized, net	66,540,230	1,463,583	134,457	10,785	67,880,141
Governmental activities capital assets, net	\$ 90,979,798	\$ 16,145,390	\$ 2,631,896	\$ (52,742)	\$ 104,440,550

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in progress at September 30, 2023 for the governmental activities consisted of costs associated with Benjamin Avenue Reconstruction, 1st Street Bridge Replacement, Trail Projects, Street Light conversion to LED, Network Switches, Various Assessment Districts, Park Improvements and Levee Repairs.

	Balance October 1, 2022	Additions	Deletions	Transfers	Balance September 30, 2023
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 3,377,377	\$ -	\$ -	\$ -	\$ 3,377,377
Construction in Progress	5,463,648	3,934,943	6,302,261	-	3,096,330
Total capital assets not being depreciated	8,841,025	3,934,943	6,302,261	-	6,473,707
Capital assets being depreciated/amortized:					
Right-to-use leased land	63,665	-	-	-	63,665
Buildings and improvements	26,357,252	5,275,724	17,175	12,520	31,628,321
Equipment, furniture and fixtures	35,044,499	594,309	12,368	(6,657)	35,619,783
Right-to-use subscription assets	-	48,530	-	-	48,530
Infrastructure	35,426,911	1,966,903	12,869	63,527	37,444,472
Total capital assets being depreciated/amortized:	96,892,327	7,885,466	42,412	69,390	104,804,771
Less: Accumulated depreciation/amortization for:					
Right-to-use leased land	16,608	16,608	-	-	33,216
Buildings and improvements	21,050,593	598,517	8,401	12,520	21,653,229
Equipment, furniture and fixtures	7,455,918	482,799	12,368	4,128	7,930,477
Right-to-use subscription assets	-	2,696	-	-	2,696
Infrastructure	6,352,951	675,296	12,752	-	7,015,495
Total accumulated depreciation/amortization	34,876,070	1,775,916	33,521	16,648	36,635,113
Total capital assets being depreciated/amortized, net	62,016,257	6,109,550	8,891	52,742	68,169,658
Business-type activities capital assets, net	\$ 70,857,282	\$ 10,044,493	\$ 6,311,152	\$ 52,742	\$ 74,643,365

Construction in progress at September 30, 2023 for the business-type activities consisted of costs associated with Northeast Industrial Utility Extension, Michigan Ave Water and Sewer Improvements, West Water Treatment Improvements, Collector Well #14, Hwy 275 Lift Station Upgrade, Sewer Rehab Monroe Ave, Water Pollution Control Plant Upgrades, and Wetland Mitigation Bank.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 116,767
Public Safety	920,369
Public Works	2,565,857
Parks and Recreation	1,079,144
Public Library	250,882
Community Improvement and Development	10,568
Total depreciation and amortization - governmental	<u>\$ 4,943,587</u>

Business-Type Activities:

Solid Waste Management	\$ 251,409
Water	740,236
Sewer	784,271
Total depreciation and amortization - business-type	<u>\$ 1,775,916</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	\$ 9,438,880	\$ 3,377,377
Construction in Progress	27,121,529	3,096,330
Capital Assets (Net of Accumulated Depreciation and Amortization)	67,880,141	68,169,658
Unspent Bond Proceeds for Capital Assets	12,264,946	-
Less: General Obligation Bonds Payable	25,145,354	-
Various Purpose Bonds Payable	5,823,791	-
Bond Anticipation Notes	3,906,909	-
Revenue Bonds Payable	-	12,273,262
Leases	51,127	31,884
Subscriptions	109,253	40,202
Accounts Payable for Capital Assets	2,929,334	389,059
	<u>\$ 78,739,728</u>	<u>\$ 61,908,958</u>

NOTE 6 – LEASES

The City has leases in effect during the year to lease out space on its communications tower, space of a building at the fire training center, space above a street, and land at the west water treatment plant. The City recognized \$44,001 in lease revenue and \$14,763 in interest revenue during the current year related to leases. Of the lease revenue \$378 was from a variable payment and was not included in the original measurement of the lease receivable. The City has a lease agreement with Nebraska Public Power District to lease the City-owned electrical distribution system. The lease is strictly variable with the City receiving 12% of system revenues. During the current year the City recognized \$4,675,776 in lease revenue from this variable lease.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 6 – LEASES (CONTINUED)

The City has lease agreements for land south of Norfolk where the entrance sign is located, land east of Norfolk where the entrance sign is located, land used for application of WPC biosolids, and a digital sign used for advertising. The value of the right-to-use assets at the end of the current year by asset class is: land \$85,636 with accumulated amortization of \$38,617, and building and improvements \$70,166 with accumulated amortization of \$35,830.

Future principal and interest lease payments as of September 30, 2023 were as follows:

Fiscal Year				
Ending	Principal	Interest	Total	
2024	\$ 36,591	\$ 257	\$ 36,848	
2025	35,274	158	35,432	
2026	2,938	83	3,021	
2027	1,240	65	1,305	
2028	1,289	56	1,345	
2029	1,340	45	1,385	
2030	1,392	35	1,427	
2031	1,446	23	1,469	
2032	1,501	12	1,513	
	<u>\$ 83,011</u>	<u>\$ 734</u>	<u>\$ 83,745</u>	

NOTE 7 – SBITAs

During the current year the City renewed its aerial imagery software. The subscription term ends February 21, 2029 and the City will make payments of \$17,446 annually. A subscription liability of \$97,059 was recorded in the current year. The City has other SBITAs in effect during the year for recreation management software and integrated library system software. The City entered into a commitment for computer aided dispatch and records management software. A prepayment of \$52,163 has been made and payments totaling \$559,716 are remaining to be made, however the software has not yet been placed in service by the City, thus a subscription liability is not reflected in the City's Financial Statements as of September 30, 2023. The value of the right-to-use subscription assets at the end of the current year is \$224,145 with accumulated amortization of \$50,775.

Future principal and interest subscription payments as of September 30, 2023 were as follows:

Fiscal Year				
Ending	Principal	Interest	Total	
2024	\$ 49,425	\$ 3,946	\$ 53,371	
2025	50,738	3,080	53,818	
2026	15,938	1,508	17,446	
2027	16,426	1,021	17,447	
2028	16,928	518	17,446	
	<u>\$ 149,455</u>	<u>\$ 10,073</u>	<u>\$ 159,528</u>	

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 8 – BOND ANTICIPATION NOTES

Changes in bond anticipation notes for the period ended September 30, 2023 were as follows:

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023
Governmental Activities:				
Bond Anticipation Notes 2.70% to 4.125%, various maturities through 2026	\$ 2,515,000	\$ 3,730,000	\$ 2,320,000	\$ 3,925,000
Note Issuance premium/discount	-	(18,091)	-	(18,091)
Total Governmental Activities	\$ 2,515,000	\$ 3,711,909	\$ 2,320,000	\$ 3,906,909

On September 26, 2023 the City issued \$3,730,000 special assessment bond anticipation notes with a maturity of September 15, 2026 and an interest rate 4.125% to fund improvements in Paving Districts 520 and 521, Water District 128 and Sewer District 255.

The City's intent is to issue permanent financing to replace the outstanding bond anticipation notes prior to maturity after the special assessment districts are assessed and the first payments from the benefited property owners have been received. Bond anticipation notes interest payment requirements in fiscal year 2023-2024 are \$154,426.

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2023

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

	Balance October 1, 2022 (as restated)	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
General obligation bonds (excluding special assessment bonds) 0.40% to 4.00%, various maturities through 2042	\$ 25,090,000	\$ -	\$ 380,000	\$ 24,710,000	\$ 385,000
General obligation direct placements 1.84% to 2.99%, mature in 2031	325,000	-	35,000	290,000	35,000
Bond issuance premium/discount	167,432	-	22,078	145,354	-
Total General Obligation	25,582,432	-	437,078	25,145,354	420,000
Special assessment bonds, with City commitment, 0.50% to 5.00%, various maturities through 2041	4,045,000	1,965,000	330,000	5,680,000	510,000
Special assessment direct placements, with City commitment, 1.69% to 1.99%, mature in 2026	155,000	-	35,000	120,000	40,000
Bond issuance premium/discount	-	37,221	13,430	23,791	-
Total Special Assessments	4,200,000	2,002,221	378,430	5,823,791	550,000
Lease	71,654	-	20,527	51,127	20,668
Subscription liability	127,086	48,529	66,362	109,253	41,601
Net pension liability	28,005	-	28,005	-	-
Accrued compensated absences	2,573,172	1,479,196	1,241,363	2,811,005	1,364,328
Total Governmental Activities	\$ 32,582,349	\$ 3,529,946	\$ 2,171,765	\$ 33,940,530	\$ 2,396,597
Business Type Activities:					
Revenue Bonds, 2.00% to 4.00%, various maturities through 2041	\$ 12,795,000	\$ -	\$ 615,000	\$12,180,000	\$ 630,000
Bond Issuance Premium/Discount	136,929	-	43,667	93,262	-
Total Revenue Bonds	12,931,929	-	658,667	12,273,262	630,000
Leases	47,768	-	15,884	31,884	15,923
Subscription liability	-	48,530	8,328	40,202	7,824
Accrued compensated absences	350,179	165,521	166,345	349,355	174,130
Total Business Type Activities	\$ 13,329,876	\$ 214,051	\$ 849,224	\$12,694,703	\$ 827,877
Grand Total	\$ 45,912,225	\$ 3,743,997	\$ 3,020,989	\$46,635,233	\$3,224,474

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service requirements as of September 30, 2023 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	
2024	\$ 385,000	\$ 826,321	\$ 35,000	\$ 6,964	\$ 510,000	\$ 147,474	\$ 40,000	\$ 2,208	
2025	385,000	821,136	35,000	6,320	520,000	135,684	40,000	1,532	
2026	400,000	815,634	35,000	5,623	520,000	123,240	40,000	796	
2027	400,000	809,421	35,000	4,874	520,000	110,181	-	-	
2028	1,455,000	802,879	35,000	4,073	430,000	96,380	-	-	
2029	1,505,000	753,974	35,000	3,219	435,000	84,572	-	-	
2030	1,535,000	702,896	40,000	2,312	445,000	73,935	-	-	
2031	1,485,000	650,089	40,000	1,196	365,000	62,864	-	-	
2032	1,535,000	607,095	-	-	370,000	52,476	-	-	
2033	1,375,000	560,913	-	-	215,000	44,459	-	-	
2034	1,420,000	516,993	-	-	220,000	38,877	-	-	
2035	1,465,000	469,745	-	-	225,000	32,787	-	-	
2036	1,515,000	420,924	-	-	230,000	26,523	-	-	
2037	1,565,000	368,570	-	-	195,000	20,083	-	-	
2038	1,620,000	314,490	-	-	200,000	14,083	-	-	
2039	1,585,000	258,400	-	-	110,000	7,907	-	-	
2040	1,650,000	196,080	-	-	110,000	4,929	-	-	
2041	1,710,000	131,160	-	-	30,000	1,913	-	-	
2042	1,720,000	64,500	-	-	30,000	638	-	-	
	<u>\$24,710,000</u>	<u>\$10,091,220</u>	<u>\$ 290,000</u>	<u>\$ 34,581</u>	<u>\$ 5,680,000</u>	<u>\$1,079,005</u>	<u>\$ 120,000</u>	<u>\$ 4,536</u>	

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service requirements as of September 30, 2023 for enterprise fund debt is as follows:

Fiscal Year Ending	Business Type Activities	
	Enterprise Fund	
	Principal	Interest
2024	\$ 630,000	\$ 310,709
2025	640,000	293,659
2026	655,000	276,259
2027	670,000	258,349
2028	685,000	239,589
2029	695,000	220,992
2030	715,000	203,721
2031	725,000	186,646
2032	745,000	167,971
2033	750,000	148,021
2034	780,000	127,571
2035	800,000	106,446
2036	820,000	84,494
2037	840,000	61,564
2038	865,000	37,696
2039	280,000	22,531
2040	285,000	16,528
2041	300,000	10,313
2042	300,000	3,563
	<u>\$ 12,180,000</u>	<u>\$ 2,776,622</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.

Tax increment financing bonds issued by the Community Development Agency are issued to provide the long-term financing for the redevelopment of blighted and substandard areas around the City. 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 City.

Revenue bonds are the obligation of the Enterprise Fund and are payable solely from the revenues of the Water, Sewer and Solid Waste Funds. The City has pledged future water, sewer and solid waste customer revenues to repay \$9.22 million of bonds issued November 2017 and \$5.05 million of bonds issued November 2021. Annual principal and interest payments on both bond issues are expected to require less than 8% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$14,956,622. Principal and interest paid for the current year was \$942,409 and total water, sewer and solid waste customer net revenues were \$5,021,580.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 9 - BONDS PAYABLE AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

In May 2022 the City issued \$20,285,000 of Highway Allocation Fund Pledge Bonds. The bonds have a final maturity of May 15, 2042 and interest rates ranging from 3.00% to 4.00%. Total principal and interest remaining to be paid on the bonds is \$29,690,175. Interest only payments are scheduled for the first 5 years followed by 15 years of regular principal and interest payments. Interest paid in the current year and total highway allocation revenue were \$731,435 and \$4,337,751 respectively.

On November 17, 2022 the City issued \$1,965,000 Various Purpose Bonds for permanent financing of Paving District 519, Water Districts 124 and 126 and Sewer Districts 250 and 254. The interest rate on the bonds range from 3.25% to 5% with a final maturity date of November 1, 2041.

NOTE 10 – TRANSFERS

The following is a summary of transfers between funds:

	Governmental Funds			Transfers out:		Total
	General	CHAF	Debt Service	Nonmajor Governmental	Proprietary Funds Water Sewer	
Transfers in:						
General	\$ -	\$ 415,000	\$ -	\$ -	\$ -	\$ 415,000
Special Assessment	-	-	192,941	-	-	192,941
Capital Construction	1,883,835	-	-	114,520	-	1,998,355
Nonmajor Governmental	888,611	-	-	-	92,648	1,073,907
Total	\$ 2,772,446	\$ 415,000	\$ 192,941	\$ 114,520	\$ 92,648	\$ 3,680,203

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 property and sales tax revenues collected in the general fund to fund capital outlay in the capital construction fund.

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2023

NOTE 11 – NET POSITION/FUND BALANCES

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

	General	City Highway Allocation	American Rescue Plan	Debt Service	Special Assessments	Capital Construction	Other Governmental Funds	Total
Nonspendable:								
Fuel Inventory	\$ 23,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,273
Prepaid Items	87,625	-	-	-	-	-	32,644	120,269
Restricted For:								
Road Projects	-	10,404,800	-	-	-	-	-	10,404,800
Flood Control Projects	-	-	-	-	-	19,859	-	19,859
Vehicle Parking	-	-	-	-	-	-	235,683	235,683
W W II Memorial	4,834	-	-	-	-	-	-	4,834
Opioid Settlement	19,727	-	-	-	-	-	-	19,727
Grant Programs	-	-	-	-	-	-	358,837	358,837
911 Operations	-	-	-	-	-	-	846,843	846,843
Recreation Projects	5,269	-	-	-	-	1,946,054	-	1,951,323
Drug Enforcement	-	-	-	-	-	-	253,733	253,733
Community Betterment	-	-	-	-	-	-	731,801	731,801
Debt Service	-	-	-	6,139,555	-	-	-	6,139,555
Committed For:								
Recreation Projects	-	-	-	-	-	5,123	-	5,123
Assigned to:								
Capital Improvements	173,852	-	-	-	-	1,931,301	-	2,105,153
Recreation Projects	-	-	-	-	-	92,652	-	92,652
Community Betterment	-	-	-	-	-	1,358,913	-	1,358,913
Council Priority Projects	-	-	-	-	-	884,388	-	884,388
Unassigned:	12,190,412	-	-	-	(384,211)	-	-	11,806,201
Total	\$12,504,992	\$10,404,800	\$ -	\$ 6,139,555	\$ (384,211)	\$ 6,238,290	\$ 2,459,541	\$ 37,362,967

NOTE 12 - EMPLOYEE PENSION PLANS

The City has four single-employer retirement systems covering City employees. Employees make contributions to the 457 Deferred Compensation System and both employees and employer make contributions to the other three retirement systems. Employees are allowed to invest their participant account balances in certain stock and/or bond mutual funds as well as guaranteed insurance accounts. Participants can direct their entire account balance to mutual 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 of the pension plans nor are they included in the report of a public employee retirement system or another government.

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

The Firemen’s Retirement System has minimum benefit guarantees for participants employed prior to January 1, 1984. With only 5 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 \$957,468, and the City recognized pension expense of \$692,676.

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 \$204,524, and the City recognized pension expense of \$204,524.

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 \$162,449, and the City recognized pension expense of \$324,899.

The 457 Deferred Compensation 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. Employee contributions totaled \$119,006.

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:

	Civilian	Police	Fire	457
Vested inactive members	55	22	10	23
Active plan members:				
Non-vested	38	3	8	-
Partially vested	30	11	5	-
Fully vested	88	24	23	35
Total membership	211	60	46	58

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 12 – 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
Total participants	5

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 Director of Administrative Services 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.

The net pension asset was measured as of September 30, 2023, and the total pension liability used to calculate the net pension asset 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.

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, 2023 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%	0.83%

City of Norfolk, NEBRASKA
Notes to Financial Statements

September 30, 2023

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.36%. 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(Asset)</u>
Balances at 10/1/22	\$ 449,892	\$ 421,887	\$ 28,005
Changes for the year:			
Interest	24,895	-	24,895
Differences between expected and actual experience	(15,065)	-	(15,065)
Contributions-employer	-	28,005	(28,005)
Net investment income	-	13,810	(13,810)
Benefit payments, including refunds of employee contributions	<u>(55,771)</u>	<u>(55,771)</u>	<u>-</u>
Net changes	<u>(45,941)</u>	<u>(13,956)</u>	<u>(31,985)</u>
Balances at 9/30/23	<u>\$ 403,951</u>	<u>\$ 407,931</u>	<u>\$ (3,980)</u>

Plan fiduciary net position as a percentage of the total pension liability 101%

The following represents the net pension liability (asset) of the City, calculated using the discount rate of 6%, as well as what the City’s net pension liability (asset) 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:

	<u>1% Decrease (5%)</u>	<u>Current Discount Rate (6%)</u>	<u>1% Increase (7%)</u>
City’s net pension liability (asset)	\$22,296	\$(3,980)	\$(27,374)

For the current year, the City recognized pension expense of \$(3,671). The City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 22,863

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 12 – EMPLOYEE PENSION PLANS (CONTINUED)

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

Year ended September 30:	
2024	\$ 9,143
2025	6,910
2026	4,593
2027	2,217

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

NOTE 13 - 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, 2023.

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 \$17,915,491. \$76,886 will be paid from the General Fund, \$10,901,859 will be paid from the City Highway Allocation Fund, \$33,000 will be paid from the Economic Development Operating Fund, \$15,874 will be paid from the American Rescue Plan Fund, \$6,660,088 will be paid from the Capital Construction Fund and \$227,784 will be paid from Special Assessment Fund. The City also entered into various contracts for Enterprise Fund Improvement Projects. The remaining commitment under these contracts is approximately \$3,839,080. \$713,682 will be paid by the Water Division, \$2,913,634 will be paid by the Sewer Division, \$10,000 will be paid out of the Solid Waste Management Division and \$201,764 will be paid out of the Storm Water Division.

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	\$173,852
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City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 14 - INDIVIDUAL FUND DISCLOSURES

Certain information concerning individual funds is as follows:

- A.** The following fund had a deficit balance as of September 30, 2023:

Capital Project Fund	Special Assessment	(\$384,211)
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This deficit will be resolved when the City issues permanent financing for the outstanding bond anticipation notes.

- 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 \$81,729,490.

The City carries a blanket limit of \$150.3 million.

- C.** 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 Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Assets:					
Current assets	\$ 6,947,281	\$ 7,587,254	\$ 1,964,824	\$ 349,822	\$ 16,849,181
Restricted assets	234,000	238,981	155,004	-	627,985
Capital assets	36,270,555	31,897,189	6,465,429	10,192	74,643,365
Total assets	43,451,836	39,723,424	8,585,257	360,014	92,120,531
Liabilities:					
Current liabilities	433,317	735,994	420,054	18,844	1,608,209
Noncurrent liabilities	78,124	7,015,351	4,773,351	-	11,866,826
Total liabilities	511,441	7,751,345	5,193,405	18,844	13,475,035
Deferred Inflows of Resources:	840,039	-	-	-	840,039
Net Position					
Net Investment in Capital Assets	35,933,309	24,440,440	1,530,616	4,593	61,908,958
Restricted	234,000	653,981	370,004	-	1,257,985
Unrestricted	5,933,047	6,877,658	1,491,232	336,577	14,638,514
Total Net Position	\$ 42,100,356	\$ 31,972,079	\$ 3,391,852	\$ 341,170	\$ 77,805,457

City of Norfolk, NEBRASKA

Notes to Financial Statements

September 30, 2023

NOTE 14 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Operating revenues	\$ 4,027,466	\$ 5,631,949	\$ 2,888,752	\$ 299,977	\$ 12,848,144
Depreciation and amortization	740,236	784,271	251,409	-	1,775,916
Other operating expenses	2,384,316	3,288,793	2,284,192	154,675	8,111,976
Operating Income	902,914	1,558,885	353,151	145,302	2,960,252
Nonoperating revenues (expenses):					
Interest on bonds and other debt	(198)	(194,318)	(84,219)	-	(278,735)
Interest income	159,062	220,089	50,933	7,924	438,008
Gain (Loss) on disposal of capital assets	(10,785)	(8,889)	-	-	(19,674)
Interfund transfers out	(92,648)	(92,648)	-	-	(185,296)
Contributions	1,119,148	738,930	-	-	1,858,078
Change in net position	2,077,493	2,222,049	319,865	153,226	4,772,633
Beginning net position	40,022,863	29,750,030	3,071,987	187,944	73,032,824
Ending net position	\$ 42,100,356	\$ 31,972,079	\$ 3,391,852	\$ 341,170	\$ 77,805,457

CONDENSED STATEMENT OF CASH FLOWS

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Net cash provided (used) by:					
Operating activities	\$ 1,596,643	\$ 2,228,728	\$ 534,019	\$ 129,478	\$ 4,488,868
Noncapital financing activities	(92,648)	(92,648)	-	-	(185,296)
Capital and related financing activities	(938,012)	(2,259,650)	(2,277,547)	-	(5,475,209)
Investing activities	118,837	180,569	37,166	6,560	343,132
Net increase (decrease)	684,820	56,999	(1,706,362)	136,038	(828,505)
Beginning cash and cash equivalents	3,841,775	6,679,539	3,470,127	158,761	14,150,202
Ending cash and cash equivalents	\$ 4,526,595	\$ 6,736,538	\$ 1,763,765	\$ 294,799	\$ 13,321,697

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	457 Deferred Compensation Fund	Total
ASSETS:						
Guaranteed Insurance Contracts	\$ 518,065	\$407,931	\$ 1,646,586	\$10,572,263	\$ 1,270,440	\$14,415,285
Open Ended Mutual Funds	8,568,858	-	9,208,002	21,636,423	1,382,673	40,795,956
Total Assets	9,086,923	407,931	10,854,588	32,208,686	2,653,113	55,211,241
NET POSITION:						
Held in Trust for Pension Benefits	9,086,923	407,931	10,854,588	32,208,686	2,653,113	55,211,241
Total Net Position	\$ 9,086,923	\$407,931	\$10,854,588	\$32,208,686	\$ 2,653,113	\$55,211,241

City of Norfolk, NEBRASKA
Notes to Financial Statements

September 30, 2023

NOTE 14 - INDIVIDUAL FUND DISCLOSURES (CONTINUED)

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total
ADDITIONS						
Contributions:						
Employer	\$ 324,899	\$ 28,005	\$ 204,524	\$ 692,676	\$ -	\$ 1,250,104
Employee	162,449	-	204,524	957,468	119,006	1,443,447
Total Contributions	487,348	28,005	409,048	1,650,144	119,006	2,693,551
Investment Income:						
Interest, Dividends and						
Market Gains	1,397,610	13,810	1,357,852	3,509,083	245,121	6,523,476
Total Additions	1,884,958	41,815	1,766,900	5,159,227	364,127	9,217,027
DEDUCTIONS						
Pension Benefits	1,506,111	55,771	1,052,553	2,830,043	275,886	5,720,364
Administration	1,262	-	2,114	18,323	1,150	22,849
Contribution Refunds	-	-	30,980	135,438	-	166,418
Total Deductions	1,507,373	55,771	1,085,647	2,983,804	277,036	5,909,631
Change in Net Position	377,585	(13,956)	681,253	2,175,423	87,091	3,307,396
Net Position-Beginning of Period	8,709,338	421,887	10,173,335	30,033,263	2,566,022	51,903,845
Net Position-End of Period	\$ 9,086,923	\$407,931	\$ 10,854,588	\$ 32,208,686	\$ 2,653,113	\$55,211,241

NOTE 15 - 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. 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 \$100,000 per occurrence/\$450,000 per occurrence all CAT Perils 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, 2022 to September 30, 2023. The terms of coverage did not change substantially in the current fiscal year from the prior fiscal year and settled claims have not exceeded this coverage in any of the past three fiscal years. Group health and dental coverage provided by the City is accounted for in the Internal Service Fund, which is used to accumulate resources to fund claims under the City's self-insured health and dental plans. City contributions to fund this coverage are reported by the respective funds as expenditures and shown as revenue in

City of Norfolk, NEBRASKA
Notes to Financial Statements
September 30, 2023

NOTE 15 - RISK MANAGEMENT (CONTINUED)

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 \$125,000 and limits City payments for claims during the year to a maximum of \$5,763,162. The September 30, 2023 claims liability of \$240,721 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, 2023 and the year ending September 30, 2022 are:

	<u>Beginning</u>	<u>Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending</u>
2022	\$707,904	\$3,483,400	\$3,512,081	\$679,223
2023	\$679,223	\$3,443,619	\$3,882,121	\$240,721

NOTE 16 – 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 \$851,716 in garbage fees and at September 30, 2023, \$78,600 was due to the NNSWC. The City provides administrative services for the NNSWC. During the year \$46,967 was received from the NNSWC for administrative services. The City was reimbursed by the NNSWC \$15,295 for NNSWC expenses paid by the City and at September 30, 2023, \$5,546 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 \$143,399 for a portion of employees' salaries. The Housing Agency manages different properties and the City provides administrative services. During the year \$22,516 was received from the Housing Agency.

NOTE 17 – 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, 2023 the City's sales tax revenues were reduced by \$7,317 under these tax abatement agreements.

NOTE 18 – SUBSEQUENT EVENTS

On December 27, 2023 the City issued \$1,270,000 Public Safety Tax Anticipation Bonds to fund an ambulance, CAD/RMS Police Software, in-car video replacement/body cameras, Fire station and Police station roof replacements and outdoor sirens. The interest rate on the bonds range from 3.85% to 4.25% with a final maturity date of December 15, 2037.

REQUIRED SUPPLEMENTARY INFORMATION

City of Norfolk, NEBRASKA
Required Supplementary Information
September 30, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ -	\$ 27,016	\$ 25,908	\$ 25,083	\$ 17,137	\$ 30,967	\$ 57,038	\$ 27,285	\$ 66,451	\$ 84,332
Interest	24,895	29,267	31,938	34,887	54,092	159,925	201,041	243,025	76,781	230,999
Differences between expected and actual experience	(15,065)	(10,889)	(10,480)	(10,340)	(3,491)	(14,448)	(39,200)	63,779	(89,509)	(39,513)
Benefit payments, including refunds of contributions	(55,771)	(193,598)	(107,771)	(115,771)	(899,382)	(1,162,802)	(989,167)	(96,645)	(564,501)	(106,171)
Net change in total pension liability	(45,941)	(148,204)	(60,405)	(66,141)	(831,644)	(986,358)	(770,288)	237,444	(510,778)	169,647
Total pension liability-beginning	449,892	598,096	658,501	724,642	1,556,286	2,542,644	3,312,932	3,075,488	3,586,266	3,416,619
Total pension liability-ending (a)	<u>\$ 403,951</u>	<u>\$ 449,892</u>	<u>\$ 598,096</u>	<u>\$ 658,501</u>	<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>
Plan fiduciary net position										
Contributions-employer	\$ 28,005	\$ 27,016	\$ 25,908	\$ 25,083	\$ 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	13,810	17,389	20,350	23,722	42,840	148,374	187,177	228,466	62,180	217,060
Benefit payments, including refunds of contributions	(55,771)	(193,598)	(107,771)	(115,771)	(899,382)	(1,162,802)	(989,167)	(96,645)	(564,501)	(106,171)
Administrative expense	-	-	-	-	(185)	(323)	(101)	(829)	(490)	(500)
Net change in plan fiduciary net position	(13,956)	(149,193)	(61,513)	(66,966)	(839,590)	(986,745)	(757,789)	188,277	(440,779)	194,429
Plan fiduciary net position-beginning	421,887	571,080	632,593	699,559	1,539,149	2,525,894	3,283,683	3,095,406	3,536,185	3,341,756
Plan fiduciary net position-ending (b)	<u>\$ 407,931</u>	<u>\$ 421,887</u>	<u>\$ 571,080</u>	<u>\$ 632,593</u>	<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>
Firemen's net pension liability (asset)-ending (a) - (b)	<u>\$ (3,980)</u>	<u>\$ 28,005</u>	<u>\$ 27,016</u>	<u>\$ 25,908</u>	<u>\$ 25,083</u>	<u>\$ 17,137</u>	<u>\$ 16,750</u>	<u>\$ 29,249</u>	<u>\$ (19,918)</u>	<u>\$ 50,081</u>
Plan fiduciary net position as a percentage of the total pension liability	101%	94%	95%	96%	97%	99%	99%	99%	101%	99%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,722	\$ 77,194	\$ 139,920	\$ 166,340	\$ 262,224
City's net pension liability (asset) as a percentage of covered payroll	-	-	-	-	-	30%	22%	21%	(12%)	19%

City of Norfolk, NEBRASKA
 Required Supplementary Information
 September 30, 2023

SCHEDULE OF CITY'S CONTRIBUTIONS - FIREMEN'S RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 28,005	\$ 27,016	\$ 25,908	\$ 25,083	\$ 17,137	\$ 16,750	\$ 29,249	\$ -	\$ 29,596	\$ 32,906
Contributions in relation to the actuarially determined contribution	28,005	27,016	25,908	25,083	17,137	16,750	29,249	30,000	29,596	32,906
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,000)	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,722	\$ 77,194	\$ 139,920	\$ 166,340	\$ 262,224
Contributions as a percentage of covered payroll	-	-	-	-	-	29%	38%	21%	18%	13%

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
Withdrawal	Advanced Pension Table Handbook, Turnover Scale W-70
Mortality	1994 Group Annuity Mortality-Static

City of Norfolk, NEBRASKA
Required Supplementary Information
September 30, 2023

SCHEDULE OF FIRE INVESTMENT RETURNS
LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<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	3.36%	3.24%	3.43%	3.61%	5.11%	6.56%	7.32%	7.32%	1.90%	6.56%

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, 2023

	General Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 17,257,205	\$ 17,558,485	\$ 301,280
Special Assessments	-	15,346	15,346
Licenses and Permits	420,340	794,273	373,933
Intergovernmental Revenue	596,722	1,215,574	618,852
Nongovernmental Grants	-	21,181	21,181
Charges for Services	2,626,929	3,014,221	387,292
Occupation and Franchise Taxes	656,000	762,554	106,554
Payments in Lieu of Taxes	175,000	229,324	54,324
Contributions	17,000	11,476	(5,524)
Rental Income	4,673,944	4,698,564	24,620
Interest	52,300	174,797	122,497
Keno Revenue	826,000	697,462	(128,538)
Miscellaneous	74,000	249,435	175,435
Total Revenue	<u>27,375,440</u>	<u>29,442,692</u>	<u>2,067,252</u>
Current Expenditures:			
Public Safety	12,464,185	11,078,330	1,385,855
Public Works	5,122,464	4,548,080	574,384
Public Library	1,967,706	1,868,542	99,164
Parks and Recreation	3,674,098	3,681,230	(7,132)
Community Improvement and Development	1,421,985	1,266,211	155,774
General Government	4,018,369	3,423,285	595,084
Total Expenditures	<u>28,668,807</u>	<u>25,865,678</u>	<u>2,803,129</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,293,367)</u>	<u>3,577,014</u>	<u>4,870,381</u>
Other Financing Sources (Uses):			
Transfers In	415,000	415,000	-
Transfers Out	(2,549,580)	(2,772,446)	(222,866)
Total other Financing Sources (Uses)	<u>(2,134,580)</u>	<u>(2,357,446)</u>	<u>(222,866)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (3,427,947)</u>	<u>\$ 1,219,568</u>	<u>\$ 4,647,515</u>
Fund Balances-Beginning of Year		<u>8,486,956</u>	
Fund Balances- End of Year		<u>\$ 9,706,524</u>	

See Accompanying Notes to Required Supplementary Information

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, 2023

	City Highway Allocation Fund			American Rescue Plan		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:						
Intergovernmental Revenue	\$ 3,700,000	\$ 4,304,572	\$ 604,572	\$ -	\$ -	\$ -
Interest	65,000	476,899	411,899	-	-	-
Total Revenue	<u>3,765,000</u>	<u>4,781,471</u>	<u>1,016,471</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current Expenditures:						
Public Works	14,160,311	11,692,117	2,468,194	2,740,231	-	2,740,231
Parks and Recreation	-	-	-	454,508	88,088	366,420
Community Improvement and Development	-	-	-	150,000	170,048	(20,048)
General Government	-	-	-	300,000	-	300,000
Debt Service	731,435	731,435	-	-	-	-
Total Expenditures	<u>14,891,746</u>	<u>12,423,552</u>	<u>2,468,194</u>	<u>3,644,739</u>	<u>258,136</u>	<u>3,386,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,126,746)</u>	<u>(7,642,081)</u>	<u>3,484,665</u>	<u>(3,644,739)</u>	<u>(258,136)</u>	<u>3,386,603</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>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u><u>\$ (11,541,746)</u></u>	<u><u>\$ (8,057,081)</u></u>	<u><u>\$ 3,484,665</u></u>	<u><u>(3,644,739)</u></u>	<u><u>\$ (258,136)</u></u>	<u><u>\$ 3,386,603</u></u>
Fund Balances-Beginning of Year		<u>21,854,658</u>			<u>3,094,972</u>	
Fund Balances- End of Year		<u><u>\$ 13,797,577</u></u>			<u><u>\$ 2,836,836</u></u>	

City of Norfolk, NEBRASKA
Notes to Required Supplementary Information
Budgetary Reporting
September 30, 2023

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 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, 2023

	General	City Highway Allocation	American Rescue Plan
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a budgetary basis	\$ 1,219,568	\$ (8,057,081)	\$ (258,136)
Basis differences:			
To adjust revenues from recognition on a cash basis	56,098	145,939	259,109
To adjust total expenditures from a recognition on a cash basis	4,032	(1,384,472)	(973)
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses, on a GAAP basis	\$ 1,279,698	\$ (9,295,614)	\$ -

	Total Budgeted Governmental Funds
Expenditures and other financing uses, on a budgetary basis	\$ 52,606,478
Basis differences:	
To adjust total expenditures from a recognition on a cash basis	410,884
Expenditures and other financing uses, on a GAAP basis	\$ 53,017,362

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

Fund	Budget	Actual	Variance Over (Under) Budget
Governmental Funds Expenditures	\$67,893,903	\$52,606,478	\$(15,287,425)

SUPPLEMENTARY INFORMATION

GOVERNMENTAL NONMAJOR FUNDS

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

COMMUNITY 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.

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.

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.

NORFOLK/MADISON DISPATCH FUND – This fund is used to account for the agreement between the City and Madison County to provide 911 dispatch services in the Norfolk and Madison County area.

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

CITY OF NORFOLK, NEBRASKA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
September 30, 2023

	Special Revenue Funds								Capital Projects	Total Governmental Nonmajor Funds
	Vehicle Parking	Community Development Block Grant	SNARE	Region 11	Wireless 911	LB 840 Economic Development	Economic Development Operating	Norfolk/Madison Dispatch	Community Development Agency	
Assets										
Cash and Equity in Pooled Investment Account	\$ 223,246	\$ 136,723	\$ 251,586	\$ 213,246	\$ 421,017	\$ 32	\$ 326,580	\$ 360,849	\$ 402,448	\$ 2,335,727
Cash at County Treasurer	11,880	-	-	-	-	-	-	-	-	11,880
Receivables (Net, where applicable, of allowance for uncollectibles)										
Accounts	-	-	937	-	-	-	228	895	-	2,060
Taxes	573	-	-	-	-	19	-	60,563	-	61,155
Accrued Interest	1,254	100	1,561	1,198	2,785	-	3,222	3,218	-	13,338
Notes	-	970,134	-	-	-	3,031	-	-	-	973,165
Due from Other Governmental Agencies	-	2,910	-	16,493	-	-	-	-	-	19,403
Prepaid Assets	-	-	1,400	-	16,621	-	-	14,623	-	32,644
Total Assets	236,953	1,109,867	255,484	230,937	440,423	3,082	330,030	440,148	402,448	3,449,372
Liabilities										
Accounts Payable	1,270	-	351	378	66	-	728	2,418	-	5,211
Total Liabilities	1,270	-	351	378	66	-	728	2,418	-	5,211
Deferred Inflows of Resources										
Unavailable Revenue-Loan Repayments	-	965,416	-	-	-	3,031	-	-	-	968,447
Unavailable Revenue-Grants	-	-	-	16,173	-	-	-	-	-	16,173
Total Deferred Inflows of Resources	-	965,416	-	16,173	-	3,031	-	-	-	984,620
Fund Balances										
Non Spendable	-	-	1,400	-	16,621	-	-	14,623	-	32,644
Restricted	235,683	144,451	253,733	214,386	423,736	51	329,302	423,107	402,448	2,426,897
Total Fund Balances	235,683	144,451	255,133	214,386	440,357	51	329,302	437,730	402,448	2,459,541
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 236,953	\$ 1,109,867	\$ 255,484	\$ 230,937	\$ 440,423	\$ 3,082	\$ 330,030	\$ 440,148	\$ 402,448	\$ 3,449,372

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended September 30, 2023

	Special Revenue Funds								Capital Projects	Total
	Vehicle Parking	Community Development Block Grant	SNARE	Region 11	Wireless 911	LB 840 Economic Development	Economic Development Operating	Norfolk/Madison Dispatch	Community Development Agency	Governmental Nonmajor Funds
Revenue:										
Taxes	\$ 98,145	\$ -	\$ -	\$ -	\$ -	\$ 175	\$ -	\$ -	\$ -	\$ 98,320
Intergovernmental Revenue	4,171	511,285	26,400	114,212	131,087	-	185,296	390,000	-	1,362,451
Occupation & Franchise Taxes	-	-	-	-	-	-	-	175,772	-	175,772
Charges for Services	-	-	-	-	-	-	-	222,729	-	222,729
Loan Repayments	-	47,610	-	-	-	-	-	-	-	47,610
Interest	6,401	3,243	7,984	6,388	14,063	2,361	15,343	17,834	10,753	84,370
TIF Bond Revenue	-	-	-	-	-	-	-	-	4,140,596	4,140,596
Miscellaneous	-	1	897	-	-	-	-	-	-	898
Total Revenue	108,717	562,139	35,281	120,600	145,150	2,536	200,639	806,335	4,151,349	6,132,746
Expenditures:										
Public Safety	-	-	38,955	149,790	45,194	-	-	1,445,311	-	1,679,250
Public Works	66,406	-	-	-	-	-	-	-	-	66,406
Community Improvement and Development	-	511,241	-	-	-	303,129	414,211	-	4,140,596	5,369,177
Debt Service	38,930	-	-	-	-	-	-	-	-	38,930
Total Expenditures	105,336	511,241	38,955	149,790	45,194	303,129	414,211	1,445,311	4,140,596	7,153,763
Excess (Deficiency) of Revenues over Expenditures	3,381	50,898	(3,674)	(29,190)	99,956	(300,593)	(213,572)	(638,976)	10,753	(1,021,017)
Other Financing Sources (Uses):										
Transfers In	-	-	-	46,254	-	-	185,296	842,358	-	1,073,908
Transfers Out	-	-	-	-	(114,520)	-	-	-	-	(114,520)
Total other Financing Sources (Uses)	-	-	-	46,254	(114,520)	-	185,296	842,358	-	959,388
Net Change in Fund Balance	3,381	50,898	(3,674)	17,064	(14,564)	(300,593)	(28,276)	203,382	10,753	(61,629)
Fund Balances - Beginning of Year	232,302	93,553	258,807	197,322	454,921	300,644	357,578	234,348	391,695	2,521,170
Fund Balances - End of Year	\$ 235,683	\$ 144,451	\$ 255,133	\$ 214,386	\$ 440,357	\$ 51	\$ 329,302	\$ 437,730	\$ 402,448	\$ 2,459,541

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, 2023

	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	\$ 100,688	\$ 98,371	\$ (2,317)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	270	4,171	3,901	1,454,365	510,640	(943,725)	26,400	26,400	-
Loan Repayments	-	-	-	31,128	47,604	16,476	-	-	-
Interest	1,300	5,235	3,935	400	3,144	2,744	2,100	6,539	4,439
Miscellaneous	-	-	-	-	-	-	4,000	897	(3,103)
Total Revenue	<u>102,258</u>	<u>107,777</u>	<u>5,519</u>	<u>1,485,893</u>	<u>561,388</u>	<u>(924,505)</u>	<u>32,500</u>	<u>33,836</u>	<u>1,336</u>
Current Expenditures:									
Public Safety	-	-	-	-	-	-	78,195	38,168	40,027
Public Works	163,240	84,055	79,185	300,000	-	300,000	-	-	-
Community Improvement and Development	-	-	-	1,275,365	513,505	761,860	-	-	-
Debt Service	20,930	20,930	-	-	-	-	-	-	-
Total Expenditures	<u>184,170</u>	<u>104,985</u>	<u>79,185</u>	<u>1,575,365</u>	<u>513,505</u>	<u>1,061,860</u>	<u>78,195</u>	<u>38,168</u>	<u>40,027</u>
Excess (Deficiency) of Revenues Over Expenditures	(81,912)	2,792	84,704	(89,472)	47,883	137,355	(45,695)	(4,332)	41,363
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (81,912)</u>	<u>\$ 2,792</u>	<u>\$ 84,704</u>	<u>\$ (89,472)</u>	<u>\$ 47,883</u>	<u>\$ 137,355</u>	<u>\$ (45,695)</u>	<u>\$ (4,332)</u>	<u>\$ 41,363</u>
Fund Balances-Beginning of Year		<u>232,334</u>			<u>88,840</u>			<u>255,918</u>	
Fund Balances- End of Year		<u>\$ 235,126</u>			<u>\$ 136,723</u>			<u>\$ 251,586</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, 2023

	Region 11			Wireless 911		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:						
Intergovernmental Revenue	\$ 119,381	\$ 129,317	\$ 9,936	\$ 95,776	\$ 131,087	\$ 35,311
Interest	2,100	5,292	3,192	4,500	11,491	6,991
Total Revenue	<u>121,481</u>	<u>134,609</u>	<u>13,128</u>	<u>100,276</u>	<u>142,578</u>	<u>42,302</u>
Current Expenditures:						
Public Safety	165,634	149,726	15,908	54,928	47,433	7,495
Total Expenditures	<u>165,634</u>	<u>149,726</u>	<u>15,908</u>	<u>54,928</u>	<u>47,433</u>	<u>7,495</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,153)</u>	<u>(15,117)</u>	<u>29,036</u>	<u>45,348</u>	<u>95,145</u>	<u>49,797</u>
Other Financing Sources (Uses):						
Transfers In	46,254	46,254	-	-	-	-
Transfers Out	-	-	-	-	(114,520)	(114,520)
Total Other Financing Sources (Uses)	<u>46,254</u>	<u>46,254</u>	<u>-</u>	<u>-</u>	<u>(114,520)</u>	<u>(114,520)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 2,101</u>	<u>\$ 31,137</u>	<u>\$ 29,036</u>	<u>\$ 45,348</u>	<u>\$ (19,375)</u>	<u>\$ (64,723)</u>
Fund Balances-Beginning of Year		<u>182,109</u>			<u>440,392</u>	
Fund Balances- End of Year		<u>\$ 213,246</u>			<u>\$ 421,017</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, 2023

	LB 840 Economic Development			Economic Development Operating			Norfolk/Madison Dispatch		
	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	\$ -	\$ 156	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	185,296	185,296	-	390,000	390,000	-
Charges for Services	-	-	-	-	-	-	202,448	206,062	3,614
Occupation and Franchise Taxes	-	-	-	-	-	-	159,000	143,127	(15,873)
Interest	1,000	2,498	1,498	2,300	12,364	10,064	600	14,805	14,205
Total Revenue	1,000	2,654	1,654	187,596	197,660	10,064	752,048	753,994	1,946
Current Expenditures:									
Public Safety	-	-	-	-	-	-	1,581,636	1,443,120	138,516
Community Improvement and Development	300,091	303,129	(3,038)	467,594	414,411	53,183	-	-	-
Total Expenditures	300,091	303,129	(3,038)	467,594	414,411	53,183	1,581,636	1,443,120	138,516
Excess (Deficiency) of Revenues over Expenditures	(299,091)	(300,475)	(1,384)	(279,998)	(216,751)	63,247	(829,588)	(689,126)	140,462
Other Financing Sources:									
Transfers In	-	-	-	185,296	185,296	-	780,000	842,358	62,358
Total Other Financing Sources	-	-	-	185,296	185,296	-	780,000	842,358	62,358
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$(299,091)</u>	<u>\$(300,475)</u>	<u>\$ (1,384)</u>	<u>\$(94,702)</u>	<u>\$(31,455)</u>	<u>\$ 63,247</u>	<u>\$(49,588)</u>	<u>\$ 153,232</u>	<u>\$ 202,820</u>
Fund Balances-Beginning of Year		300,507			358,035			207,617	
Fund Balances- End of Year		<u>\$ 32</u>			<u>\$326,580</u>			<u>\$ 360,849</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, 2023

	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	\$ 1,370,000	\$ 1,296,220	\$ (73,780)	\$ -	\$ -	\$ -
Contributions	2,230,800	1,039,520	(1,191,280)	-	-	-
Rental Income	-	22,685	22,685	-	-	-
Interest	25,800	189,978	164,178	119	3,701	3,582
Miscellaneous	-	15,550	15,550	-	-	-
Total Revenue	<u>3,626,600</u>	<u>2,563,953</u>	<u>(1,062,647)</u>	<u>119</u>	<u>3,701</u>	<u>3,582</u>
Expenditures:						
Public Safety	385,000	844,450	(459,450)	-	-	-
Public Works	4,216,239	2,440,418	1,775,821	3,078,500	239,306	2,839,194
Public Library	-	132,189	(132,189)	-	-	-
Parks and Recreation	3,572,049	2,519,251	1,052,798	-	-	-
Community Improvement and Development	-	48,896	(48,896)	-	-	-
General Government	425,000	3,944	421,056	-	-	-
Debt Service	-	-	-	435,790	330,785	105,005
Total Expenditures	<u>8,598,288</u>	<u>5,989,148</u>	<u>2,609,140</u>	<u>3,514,290</u>	<u>570,091</u>	<u>2,944,199</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,971,688)</u>	<u>(3,425,195)</u>	<u>1,546,493</u>	<u>(3,514,171)</u>	<u>(566,390)</u>	<u>2,947,781</u>
Other Financing Sources:						
Proceeds from Debt Financing	1,095,000	-	(1,095,000)	3,160,000	3,730,000	570,000
Discount on Debt	-	-	-	-	(18,090)	(18,090)
Transfers In	1,723,326	1,998,355	275,029	-	192,940	192,940
Total Other Financing Sources	<u>2,818,326</u>	<u>1,998,355</u>	<u>(819,971)</u>	<u>3,160,000</u>	<u>3,904,850</u>	<u>744,850</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (2,153,362)</u>	<u>\$ (1,426,840)</u>	<u>\$ 726,522</u>	<u>\$ (354,171)</u>	<u>\$ 3,338,461</u>	<u>\$ 3,692,632</u>
Fund Balances-Beginning of Year		<u>8,452,873</u>			<u>222,515</u>	
Fund Balances- End of Year		<u>\$ 7,026,033</u>			<u>\$ 3,560,976</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, 2023

	Debt Service		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 1,011,062	\$ 926,070	\$ (84,992)
Special Assessments	340,857	615,116	274,259
Intergovernmental Revenue	-	91,890	91,890
Payments in Lieu of Taxes	37,000	40,723	3,723
Interest	194,863	283,204	88,341
Miscellaneous	57,000	56,833	(167)
Total Revenue	<u>1,640,782</u>	<u>2,013,836</u>	<u>373,054</u>
Current Expenditures:			
Public Safety	3,000	-	3,000
Debt Service	1,033,907	972,401	61,506
Total Expenditures	<u>1,036,907</u>	<u>972,401</u>	<u>64,506</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>603,875</u>	<u>1,041,435</u>	<u>437,560</u>
Other Financing Sources (Uses):			
Transfers Out	-	(192,940)	(192,940)
Total Other Financing Sources	<u>-</u>	<u>(192,940)</u>	<u>(192,940)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 603,875</u>	<u>\$ 848,495</u>	<u>\$ 244,620</u>
Fund Balances-Beginning of Year		<u>5,084,609</u>	
Fund Balances- End of Year		<u>\$ 5,933,104</u>	

BUSINESS TYPE ACTIVITIES

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

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

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION
COMBINED UTILITIES
September 30, 2023

ASSETS	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Current Assets:					
Cash and Equity in Pooled Investment Account	\$4,292,595	\$6,025,475	\$1,347,296	\$294,799	\$11,960,165
Receivables:					
Accounts	1,014,422	1,029,068	337,506	53,595	2,434,591
Special Assessments	544,346	14,168	-	-	558,514
Interest	27,635	42,428	15,869	1,428	87,360
Leases	863,006	-	-	-	863,006
Restricted Cash:					
Cash & Cash Equivalents	-	472,082	261,465	-	733,547
Inventories:					
Fiber Optic System Held for Resale	202,857	-	-	-	202,857
Prepaid Assets	2,420	4,033	2,688	-	9,141
Total Current Assets	6,947,281	7,587,254	1,964,824	349,822	16,849,181
Noncurrent Assets:					
Restricted Assets:					
Restricted Cash	234,000	238,981	155,004	-	627,985
Property, Plant and Equipment:					
Land	2,366,101	958,992	52,284	-	3,377,377
Water and Pollution Control Plant	9,636,308	16,077,924	6,167,571	-	31,881,803
Water Distribution and Sewage System Equipment	35,206,527	28,863,570	-	-	64,070,097
Right-to-use Leased Asset	2,178,851	4,472,490	2,036,192	53,143	8,740,676
Right-to-use Subscription Asset	-	63,665	-	-	63,665
Right-to-use Subscription Asset	24,265	24,265	-	-	48,530
Construction in Progress	1,424,463	1,661,675	-	10,192	3,096,330
	50,836,515	52,122,581	8,256,047	63,335	111,278,478
Less Accumulated Depreciation/Amortization	14,565,960	20,225,392	1,790,618	53,143	36,635,113
Total Property, Plant and Equipment (Net of Accumulated Depreciation)	36,270,555	31,897,189	6,465,429	10,192	74,643,365
Total Noncurrent Assets	36,504,555	32,136,170	6,620,433	10,192	75,271,350
Total Assets	\$43,451,836	\$39,723,424	\$8,585,257	\$360,014	\$92,120,531

(Continued)

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF NET POSITION (Continued)
COMBINED UTILITIES
September 30, 2023

LIABILITIES AND NET POSITION	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Current Liabilities:					
Accounts and Contracts Payable	\$376,106	\$169,853	\$113,436	\$17,390	\$676,785
Accrued Compensated Absences	53,299	74,224	45,153	1,454	174,130
Leases - Current	-	15,923	-	-	15,923
Subscription Liability - Current	3,912	3,912	-	-	7,824
Payables from Restricted Assets:					
Accrued Interest Payable	-	57,082	46,465	-	103,547
Revenue Bonds - Current	-	415,000	215,000	-	630,000
Total Current Liabilities	433,317	735,994	420,054	18,844	1,608,209
Noncurrent Liabilities:					
Leases	-	15,961	-	-	15,961
Subscription Liability	16,189	16,189	-	-	32,378
Revenue Bonds	-	6,933,449	4,709,813	-	11,643,262
Accrued Compensated Absences	61,935	49,752	63,538	-	175,225
Total Noncurrent Liabilities	78,124	7,015,351	4,773,351	-	11,866,826
Total Liabilities	511,441	7,751,345	5,193,405	18,844	13,475,035
Deferred Inflows of Resources:					
Lease Related	840,039	-	-	-	840,039
Total Deferred Inflows of Resources	840,039	-	-	-	840,039
Net Position					
Net Investment in Capital Assets	35,933,309	24,440,440	1,530,616	4,593	61,908,958
Restricted for:					
Debt Covenants	234,000	653,981	370,004	-	1,257,985
Unrestricted	5,933,047	6,877,658	1,491,232	336,577	14,638,514
Total Net Position	\$ 42,100,356	\$ 31,972,079	\$ 3,391,852	\$ 341,170	\$ 77,805,457

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMBINED UTILITIES
For the Year Ended September 30, 2023

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Operating Revenues:					
User Charges	\$3,930,598	\$5,619,418	\$2,879,125	\$299,908	\$12,729,049
Rental Income	92,738	7,200	-	-	99,938
Miscellaneous Income	4,130	5,331	9,627	69	19,157
Total Operating Revenues	4,027,466	5,631,949	2,888,752	299,977	12,848,144
Operating Expenses:					
Payroll and Related Taxes and Benefits	1,009,282	1,348,893	779,853	87,729	3,225,757
Utilities	252,618	361,376	31,656	-	645,650
Repairs and Maintenance	370,096	609,169	259,914	1,510	1,240,689
Purchased Services	-	-	873,080	-	873,080
General and Administration	752,320	969,355	339,689	65,436	2,126,800
Depreciation and Amortization	740,236	784,271	251,409	-	1,775,916
Total Operating Expenses	3,124,552	4,073,064	2,535,601	154,675	9,887,892
Operating Income	902,914	1,558,885	353,151	145,302	2,960,252
Nonoperating Revenues (Expenses):					
Interest on Bonds and Other Debt	(198)	(194,318)	(84,219)	-	(278,735)
Interest Income	159,062	220,089	50,933	7,924	438,008
Gain (Loss) on Disposal of Capital Assets	(10,785)	(8,889)	-	-	(19,674)
Total Nonoperating Revenues (Expenses)	148,079	16,882	(33,286)	7,924	139,599
Income before Contributions and Transfers	1,050,993	1,575,767	319,865	153,226	3,099,851
Capital Contributions	1,119,148	738,930	-	-	1,858,078
Transfers (Out)	(92,648)	(92,648)	-	-	(185,296)
Change in Net Position	2,077,493	2,222,049	319,865	153,226	4,772,633
Net Position - Beginning of Year	40,022,863	29,750,030	3,071,987	187,944	73,032,824
Net Position - End of Year	\$42,100,356	\$31,972,079	\$3,391,852	\$341,170	\$77,805,457

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS
Combined Utilities
For the Year Ended September 30, 2023

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 4,065,672	\$ 5,683,491	\$ 2,802,917	\$ 273,054	\$ 12,825,134
Cash Paid to Suppliers for Goods and Services	(1,457,374)	(2,091,956)	(1,504,208)	(56,147)	(5,109,685)
Cash Paid to Employees for Services	(1,011,655)	(1,362,807)	(764,690)	(87,429)	(3,226,581)
Net Cash Provided by Operating Activities	1,596,643	2,228,728	534,019	129,478	4,488,868
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers (to) Other Funds	(92,648)	(92,648)	-	-	(185,296)
Net Cash (Used) by Noncapital Financing Activities	(92,648)	(92,648)	-	-	(185,296)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(1,340,273)	(1,798,166)	(1,939,441)	-	(5,077,880)
Capital Grants and Contributions	382,123	163,181	-	-	545,304
Interest on Leases Receivable	14,062	-	-	-	14,062
Principal on Leases Receivable	10,438	-	-	-	10,438
Principal Paid on Capital Debt	(4,164)	(425,048)	(210,000)	-	(639,212)
Interest Paid on Capital Debt	(198)	(199,617)	(128,106)	-	(327,921)
Net Cash (Used) for Capital and Related Financing Activities	(938,012)	(2,259,650)	(2,277,547)	-	(5,475,209)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends on Investments	118,837	180,569	37,166	6,560	343,132
Net Cash Provided for Investing Activities	118,837	180,569	37,166	6,560	343,132
Net Increase (Decrease) in Cash and Cash Equivalents	684,820	56,999	(1,706,362)	136,038	(828,505)
Cash and Cash Equivalents at Beginning of Year	3,841,775	6,679,539	3,470,127	158,761	14,150,202
Cash and Cash Equivalents at End of Year	\$ 4,526,595	\$ 6,736,538	\$ 1,763,765	\$ 294,799	\$ 13,321,697

(Continued)

CITY OF NORFOLK, NEBRASKA
COMBINING DEPARTMENTAL SCHEDULE OF CASH FLOWS (Continued)
Combined Utilities
For the Year Ended September 30, 2023

	Water Division	Sewer Division	Solid Waste Management Division	Stormwater Division	Totals
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 902,914	\$ 1,558,885	\$ 353,151	\$ 145,302	\$ 2,960,252
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	740,236	784,271	251,409	-	1,775,916
(Increase) Decrease in Assets:					
Accounts Receivable	70,675	48,898	(85,835)	(26,922)	6,816
Special Assessments	-	2,644	-	-	2,644
Prepaid Assets	(45)	(74)	(49)	-	(168)
Increase (Decrease) in Liabilities:					
Accounts and Contracts Payable	(82,295)	(151,981)	180	10,798	(223,298)
Accrued Compensated Absences	(2,373)	(13,915)	15,163	300	(825)
Deferred Inflows of Resources	(32,469)	-	-	-	(32,469)
Total Adjustments	693,729	669,843	180,868	(15,824)	1,528,616
Net Cash Provided by Operating Activities	\$ 1,596,643	\$ 2,228,728	\$ 534,019	\$ 129,478	\$ 4,488,868
Supplemental Schedule of Noncash Capital and Related Financing Activities:					
Contribution of Distribution System Assets	\$ 463,569	\$ 414,643	\$ -	\$ -	\$ 878,212
Accounts Payable Exchanged for Capital Assets	317,145	56,315	10,000	5,599	389,059
Subscription Assets Acquired Through Contract	24,265	24,265	-	-	48,530
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:					
Cash and Equity in Pooled Investment Account	\$ 4,292,595	\$ 6,025,475	\$ 1,347,296	\$ 294,799	\$ 11,960,165
Restricted Cash - Current	-	472,082	261,465	-	733,547
Restricted Cash - Noncurrent	234,000	238,981	155,004	-	627,985
	\$ 4,526,595	\$ 6,736,538	\$ 1,763,765	\$ 294,799	\$ 13,321,697

FIDUCIARY FUNDS

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

PENSION TRUST FUNDS:

FIREMEN'S DEFINED CONTRIBUTION RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighters employed after January 1, 1984.

FIREMEN'S DEFINED BENEFIT RETIREMENT FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighters, or their spouses, employed prior to January 1, 1984 having minimum benefit guarantees.

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.

457 DEFERRED COMPENSATION FUND - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees enrolled in the 457 Deferred Compensation Plan.

CUSTODIAL 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 FIDUCIARY NET POSITION
Fiduciary Funds
September 30, 2023

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total Pension Trust Funds
ASSETS						
Guaranteed Insurance Contracts	\$ 518,065	\$ 407,931	\$ 1,646,586	\$ 10,572,263	\$ 1,270,440	\$ 14,415,285
Open Ended Mutual Funds	8,568,858	-	9,208,002	21,636,423	1,382,673	40,795,956
Total Assets	<u>9,086,923</u>	<u>407,931</u>	<u>10,854,588</u>	<u>32,208,686</u>	<u>2,653,113</u>	<u>55,211,241</u>
FIDUCIARY NET POSITION						
Restricted for Pensions	9,086,923	407,931	10,854,588	32,208,686	2,653,113	55,211,241
Total Fiduciary Net Position	<u>\$ 9,086,923</u>	<u>\$ 407,931</u>	<u>\$ 10,854,588</u>	<u>\$ 32,208,686</u>	<u>\$ 2,653,113</u>	<u>\$ 55,211,241</u>

CITY OF NORFOLK, NEBRASKA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended September 30, 2023

	Firemen's Defined Contribution Retirement Fund	Firemen's Defined Benefit Retirement Fund	Police Retirement Fund	Civilian Retirement Fund	457 Deferred Compensation Fund	Total Pension Trust Funds
ADDITIONS						
Contributions:						
Employer	\$ 324,899	\$ 28,005	\$ 204,524	\$ 692,676	\$ -	\$ 1,250,104
Employee	162,449	-	204,524	957,468	119,006	1,443,447
Total Contributions	<u>487,348</u>	<u>28,005</u>	<u>409,048</u>	<u>1,650,144</u>	<u>119,006</u>	<u>2,693,551</u>
Investment Income:						
Interest, Dividends & Market Gains	<u>1,397,610</u>	<u>13,810</u>	<u>1,357,852</u>	<u>3,509,083</u>	<u>245,121</u>	<u>6,523,476</u>
Total Additions	<u>1,884,958</u>	<u>41,815</u>	<u>1,766,900</u>	<u>5,159,227</u>	<u>364,127</u>	<u>9,217,027</u>
DEDUCTIONS						
Pension Benefits	1,506,111	55,771	1,052,553	2,830,043	275,886	5,720,364
Contribution Refunds	-	-	30,980	135,438	-	166,418
Administration	<u>1,262</u>	<u>-</u>	<u>2,114</u>	<u>18,323</u>	<u>1,150</u>	<u>22,849</u>
Total Deductions	<u>1,507,373</u>	<u>55,771</u>	<u>1,085,647</u>	<u>2,983,804</u>	<u>277,036</u>	<u>5,909,631</u>
Change in Net Position	377,585	(13,956)	681,253	2,175,423	87,091	3,307,396
Fiduciary Net Position - Beginning of Period	<u>8,709,338</u>	<u>421,887</u>	<u>10,173,335</u>	<u>30,033,263</u>	<u>2,566,022</u>	<u>51,903,845</u>
Fiduciary Net Position - End of Period	<u>\$ 9,086,923</u>	<u>\$ 407,931</u>	<u>\$ 10,854,588</u>	<u>\$ 32,208,686</u>	<u>\$ 2,653,113</u>	<u>\$ 55,211,241</u>

STATISTICAL SECTION

CITY OF NORFOLK NEBRASKA
STATISTICAL SECTION
(Unaudited)

This part of the City of Norfolk's annual comprehensive 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>
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	1-4
Revenue Capacity These tables contain information that may assist the reader in assessing the City's most significant local revenue sources, property tax and sales tax.	5-11
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	12-15
Economic & Demographic Information These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.	16-17
Operating Information 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				
	2023	2022	2021	2020	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 78,739,728	\$ 71,802,323	\$ 67,600,237	\$ 61,405,541	\$ 56,281,189
Restricted for:					
Debt Service	5,790,368	5,032,126	4,010,592	3,556,622	3,221,437
Road Projects	1,694,852	2,725,389	5,442,806	4,122,543	4,290,994
Community Programs and Services	4,566,601	4,830,012	3,966,986	3,788,391	4,599,009
Unrestricted	24,590,805	24,503,241	20,997,401	20,726,456	17,489,903
Total Governmental Activities Net Position	\$ 115,382,354	\$ 108,893,091	\$ 102,018,022	\$ 93,599,553	\$ 85,882,532
Business-Type Activities					
Net Investment in Capital Assets	\$ 61,908,958	\$ 58,415,848	\$ 56,429,491	\$ 51,106,234	\$ 46,338,591
Restricted	1,257,985	1,183,686	1,006,136	945,404	968,434
Unrestricted	14,638,514	13,433,290	12,242,771	10,743,394	12,265,257
Total Business-Type Activities Net Position	\$ 77,805,457	\$ 73,032,824	\$ 69,678,398	\$ 62,795,032	\$ 59,572,282
Primary Government:					
Net Investment in Capital Assets	\$ 140,648,686	\$ 130,218,171	\$ 124,029,728	\$ 112,511,775	\$ 102,619,780
Restricted	13,309,806	13,771,213	14,426,520	12,412,960	13,079,874
Unrestricted	39,229,319	37,936,531	33,240,172	31,469,850	29,755,160
Total Primary Government Net Position	\$ 193,187,811	\$ 181,925,915	\$ 171,696,420	\$ 156,394,585	\$ 145,454,814

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 55,056,983	\$ 50,736,098	\$ 40,610,264	\$ 39,859,311	\$ 39,846,176
Restricted for:					
Debt Service	2,879,341	2,575,381	2,310,289	2,056,725	1,718,817
Road Projects	3,836,877	2,922,144	4,315,636	3,038,500	1,587,443
Community Programs and Services	4,026,973	6,186,742	7,067,955	5,475,708	3,284,448
Unrestricted	16,251,003	14,983,957	16,820,853	17,893,551	16,711,180
Total Governmental Activities Net Position	\$ 82,051,177	\$ 77,404,322	\$ 71,124,997	\$ 68,323,795	\$ 63,148,064
Business-Type Activities					
Net Investment in Capital Assets	\$ 43,595,405	\$ 41,031,377	\$ 37,513,730	\$ 37,014,955	\$ 36,984,047
Restricted	847,638	1,841,627	2,609,219	2,480,450	2,545,137
Unrestricted	12,299,011	8,881,735	8,972,087	7,981,527	6,344,841
Total Business-Type Activities Net Position	\$ 56,742,054	\$ 51,754,739	\$ 49,095,036	\$ 47,476,932	\$ 45,874,025
Primary Government:					
Net Investment in Capital Assets	\$ 98,652,388	\$ 91,767,475	\$ 78,123,994	\$ 76,874,266	\$ 76,830,223
Restricted	11,590,829	13,525,894	16,303,099	13,051,383	9,135,845
Unrestricted	28,550,014	23,865,692	25,792,940	25,875,078	23,056,021
Total Primary Government Net Position	\$ 138,793,231	\$ 129,159,061	\$ 120,220,033	\$ 115,800,727	\$ 109,022,089

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities										
General Government	\$ 2,601,562	\$ 3,447,008	\$ 3,107,535	\$ 3,864,486	\$ 2,956,350	\$ 2,977,504	\$ 3,311,385	\$ 2,462,887	\$ 2,622,419	\$ 2,552,931
Public Safety	13,618,092	12,988,140	12,009,577	11,319,323	10,300,692	10,427,387	10,152,789	10,133,933	9,111,824	8,912,927
Public Works	10,329,746	8,763,148	7,201,836	7,004,357	7,614,440	7,353,230	4,949,525	5,494,622	5,279,551	7,114,441
Public Library	2,179,082	1,923,155	1,869,748	1,826,846	1,804,884	2,233,538	1,478,371	1,461,349	1,386,198	1,409,728
Parks and Recreation	4,410,802	3,839,233	3,273,798	3,383,361	3,334,945	3,180,516	2,970,064	3,354,612	2,927,345	2,674,471
Community Improvement & Development	6,887,790	6,791,856	5,496,064	5,207,956	5,826,934	3,182,386	1,035,861	4,217,807	1,213,129	994,906
Debt Service	957,970	491,339	371,104	460,254	398,001	344,297	323,382	454,900	673,579	626,377
Total Governmental Activities Expenses	40,985,044	38,243,879	33,329,662	33,066,583	32,236,246	29,698,858	24,221,377	27,580,110	23,214,045	24,285,781
Business-Type Activities										
Water Division	3,124,750	3,182,728	2,887,287	2,721,110	2,535,576	2,345,132	2,269,164	2,294,958	2,102,160	2,386,409
Sewer Division	4,276,271	4,192,958	3,673,607	4,225,667	3,738,328	3,790,662	3,168,511	3,293,531	3,075,988	2,770,537
Solid Waste Division	2,619,820	2,446,408	2,264,535	1,998,538	1,936,387	1,960,849	1,830,369	1,763,283	1,763,897	1,739,883
Stormwater Division	154,675	105,849	112,299	58,568	-	-	-	-	-	-
Total Business-Type Activities	10,175,516	9,927,943	8,937,728	9,003,883	8,210,291	8,096,643	7,268,044	7,351,772	6,942,045	6,896,829
Total Primary Government Expenses	\$ 51,160,560	\$ 48,171,822	\$ 42,267,390	\$ 42,070,466	\$ 40,446,537	\$ 37,795,501	\$ 31,489,421	\$ 34,931,882	\$ 30,156,090	\$ 31,182,610
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 1,329,447	\$ 1,170,501	\$ 1,161,541	\$ 970,065	\$ 846,121	\$ 774,415	\$ 675,443	\$ 550,560	\$ 493,501	\$ 514,625
Public Safety	1,248,720	1,071,402	1,071,920	900,867	818,625	1,270,763	1,175,687	1,104,698	1,110,300	1,098,611
Public Works	141,515	93,416	132,019	147,856	105,214	127,618	141,147	100,707	110,592	124,738
Public Library	26,223	25,511	23,940	16,792	27,542	21,943	27,119	29,056	30,326	28,627
Parks and Recreation	570,685	501,590	483,954	233,792	490,329	463,339	493,930	495,207	462,350	446,982
Community Improvement and Development	894,798	510,278	548,394	629,643	497,526	113,810	102,647	113,526	98,601	80,000
Operating Grants & Contributions	10,353,821	10,317,438	9,921,051	8,459,117	8,463,834	6,103,919	4,159,685	3,700,589	4,148,833	3,894,437
Capital Grants & Contributions	4,756,541	5,438,961	6,064,400	6,728,690	2,124,055	4,709,685	980,028	1,656,522	458,660	531,933
Total Governmental Activities Program Revenues	19,321,750	19,129,097	19,407,219	18,086,822	13,373,246	13,585,492	7,755,686	7,750,865	6,913,163	6,719,953
Business-Type Activities:										
Charges for Services:										
Water Division	4,023,336	3,913,399	3,409,107	3,390,991	2,853,689	2,879,311	3,034,477	2,636,412	2,496,043	2,578,265
Sewer Division	5,626,618	5,432,491	4,966,211	4,599,247	4,676,320	4,469,366	4,353,195	3,947,187	3,518,523	3,755,613
Solid Waste	2,879,125	2,477,097	2,336,711	2,286,962	2,362,144	2,016,542	1,994,477	1,909,479	1,975,181	1,772,489
Stormwater Division	299,908	155,065	152,608	152,737	-	-	-	-	-	-
Operating Grants & Contributions	-	33,136	-	-	-	-	-	1,445	81,487	-
Capital Grants & Contributions	1,794,551	364,963	2,287,972	1,348,288	819,590	1,293,123	-	243,349	340,886	422,145
Total Business-Type Activities Program Revenues	14,623,538	12,376,151	13,152,609	11,778,225	10,711,743	10,658,342	9,382,149	8,737,872	8,412,120	8,528,512
Total Primary Government Program Revenues	\$ 33,945,288	\$ 31,505,248	\$ 32,559,828	\$ 29,865,047	\$ 24,084,989	\$ 24,243,834	\$ 17,137,835	\$ 16,488,737	\$ 15,325,283	\$ 15,248,465
Net (Expense)/Revenue										
Governmental Activities	\$ (21,663,294)	\$ (19,114,782)	\$ (13,922,443)	\$ (14,979,761)	\$ (18,863,000)	\$ (16,113,366)	\$ (16,465,691)	\$ (19,829,245)	\$ (16,300,882)	\$ (17,565,828)
Business-Type Activities	4,448,022	2,448,208	4,214,881	2,774,342	2,501,452	2,561,699	2,114,105	1,386,100	1,470,075	1,631,683
Total Primary Government Net Expense	\$ (17,215,272)	\$ (16,666,574)	\$ (9,707,562)	\$ (12,205,419)	\$ (16,361,548)	\$ (13,551,667)	\$ (14,351,586)	\$ (18,443,145)	\$ (14,830,807)	\$ (15,934,145)

(Continued)

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes In Net Positions										
Governmental Activities:										
Taxes:										
Property Tax	\$ 6,809,444	\$ 6,070,915	\$ 4,954,639	\$ 4,495,422	\$ 4,335,563	\$ 4,002,734	\$ 3,765,320	\$ 3,480,593	\$ 3,428,471	\$ 3,097,189
Sales Tax	11,898,470	11,141,231	10,503,632	9,216,028	8,744,704	9,796,242	10,677,614	10,614,793	9,358,568	8,035,671
Other Taxes	278,390	264,198	220,840	219,714	230,038	210,413	209,221	203,371	202,868	184,689
Occupation and Franchise Taxes	929,136	1,257,245	3,073,366	2,869,551	2,965,012	2,827,862	2,705,164	2,680,189	2,764,650	2,781,028
Interest	1,565,267	359,321	193,263	398,345	619,526	317,718	209,621	107,008	58,091	49,656
General Intergovernmental Revenues Unrestricted	936,490	1,856,222	518,515	462,641	429,545	409,242	398,194	372,186	365,627	276,969
Unrestricted Keno Revenues	698,497	785,108	782,377	664,431	621,592	642,534	584,717	552,493	611,740	572,632
General Revenue from Electrical Distribution System Lease/Use of Property	4,675,776	4,666,382	4,580,816	4,553,874	4,594,255	4,630,450	4,505,919	4,596,858	4,620,527	4,677,788
Revenue from Sale of Uncapitalized Property	56,997	19,840	20,075	-	5,940	35,000	56,219	17,097	74,113	42,511
Miscellaneous	171,536	203,323	123,141	104,449	208,110	120,658	92,345	109,622	55,506	40,009
Interfund Transfers	132,554	(748,119)	(2,629,752)	(287,673)	(59,930)	(2,232,632)	(459,318)	(103,763)	(13,467)	-
Net Position Received from Annexation	-	114,185	-	-	-	-	-	-	-	-
Total Governmental Activities	28,152,557	25,989,851	22,340,912	22,696,782	22,694,355	20,760,221	22,745,016	22,630,447	21,526,694	19,758,142
Business Type of Activities:										
Interest	438,008	75,274	20,304	151,819	245,931	170,004	64,418	27,278	11,899	13,699
Use of Property	-	-	-	-	-	-	-	82,022	84,919	81,422
Miscellaneous	19,157	14,609	18,429	8,916	22,915	22,980	21,859	18,944	22,547	32,190
Interfund Transfers	(132,554)	748,119	2,629,752	287,673	59,930	2,232,632	459,318	103,763	13,467	-
Net Position Received from Annexation	-	68,216	-	-	-	-	-	-	-	-
Total Business-Type Activities	324,611	906,218	2,668,485	448,408	328,776	2,425,616	545,595	232,007	132,832	127,311
Total Primary Government	\$ 28,477,168	\$ 26,896,069	\$ 25,009,397	\$ 23,145,190	\$ 23,023,131	\$ 23,185,837	\$ 23,290,611	\$ 22,862,454	\$ 21,659,526	\$ 19,885,453
Change in Net Position										
Governmental Activities	\$ 6,489,263	\$ 6,875,069	\$ 8,418,469	\$ 7,717,021	\$ 3,831,355	\$ 4,646,855	\$ 6,279,325	\$ 2,801,202	\$ 5,225,812	\$ 2,192,314
Business-Type Activities	4,772,633	3,354,426	6,883,366	3,222,750	2,830,228	4,987,315	2,659,700	1,618,107	1,602,907	1,758,994
Total Primary Government	\$ 11,261,896	\$ 10,229,495	\$ 15,301,835	\$ 10,939,771	\$ 6,661,583	\$ 9,634,170	\$ 8,939,025	\$ 4,419,309	\$ 6,828,719	\$ 3,951,308

TABLE 3

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General Fund					
Non Spendable	\$ 110,898	\$ 142,947	\$ 115,101	\$ 55,671	\$ 53,885
Restricted	29,830	43,155	39,181	35,403	35,626
Committed	-	-	-	-	-
Assigned	173,852	155,432	50,580	115,813	131,260
Unassigned	12,190,412	10,883,760	11,640,486	10,391,447	9,938,855
Total General Fund	\$ 12,504,992	\$ 11,225,294	\$ 11,845,348	\$ 10,598,334	\$ 10,159,626
All Other Governmental Funds					
Non Spendable	\$ 32,644	\$ 31,559	\$ 14,798	\$ 37,769	\$ 27,458
Restricted	20,937,165	29,822,180	13,445,718	11,541,590	12,202,044
Committed	5,123	117,044	1,860,530	3,285,899	2,727,215
Assigned	4,267,254	3,967,408	4,377,651	3,500,477	3,413,287
Unassigned	(384,211)	(2,292,434)	(2,255,603)	(6,475,927)	(6,212,438)
Total All Other Governmental Funds	\$ 24,857,975	\$ 31,645,757	\$ 17,443,094	\$ 11,889,808	\$ 12,157,566
Total Governmental Funds					
Non Spendable	\$ 143,542	\$ 174,506	\$ 129,899	\$ 93,440	\$ 81,343
Restricted	20,966,995	29,865,335	13,484,899	11,576,993	12,237,670
Committed	5,123	117,044	1,860,530	3,285,899	2,727,215
Assigned	4,441,106	4,122,840	4,428,231	3,616,290	3,544,547
Unassigned	11,806,201	8,591,326	9,384,883	3,915,520	3,726,417
Total Governmental Fund	\$ 37,362,967	\$ 42,871,051	\$ 29,288,442	\$ 22,488,142	\$ 22,317,192

TABLE 3 (CONT.)

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

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Non Spendable	\$ 38,468	\$ 34,735	\$ 41,535	\$ 22,742	\$ 37,154
Restricted	35,948	480,485	488,920	476,210	38,291
Committed	-	-	-	-	31,144
Assigned	28,484	13,770	-	31,941	10,044
Unassigned	9,257,812	8,287,694	8,420,582	8,816,995	8,003,963
Total General Fund	<u>\$ 9,360,712</u>	<u>\$ 8,816,684</u>	<u>\$ 8,951,037</u>	<u>\$ 9,347,888</u>	<u>\$ 8,120,596</u>
All Other Governmental Funds					
Non Spendable	\$ 16,052	\$ 17,950	\$ 16,687	\$ 15,128	\$ 9,762
Restricted	10,816,613	11,311,850	13,329,130	12,604,917	9,088,635
Committed	2,155,920	1,810,263	1,579,460	2,836,617	2,952,632
Assigned	2,934,958	2,639,506	2,494,115	2,697,595	1,353,826
Unassigned	(864,234)	(1,898,527)	(1,878,019)	(1,120,538)	(44,361)
Total All Other Governmental Funds	<u>\$ 15,059,309</u>	<u>\$ 13,881,042</u>	<u>\$ 15,541,373</u>	<u>\$ 17,033,719</u>	<u>\$ 13,360,494</u>
Total Governmental Funds					
Non Spendable	\$ 54,520	\$ 52,685	\$ 58,222	\$ 37,870	\$ 46,916
Restricted	10,852,561	11,792,335	13,818,050	13,081,127	9,126,926
Committed	2,155,920	1,810,263	1,579,460	2,836,617	2,983,776
Assigned	2,963,442	2,635,276	2,494,115	2,729,536	1,363,870
Unassigned	8,393,578	6,389,167	6,542,563	7,696,457	7,959,602
Total Governmental Fund	<u>\$ 24,420,021</u>	<u>\$ 22,679,726</u>	<u>\$ 24,492,410</u>	<u>\$ 26,381,607</u>	<u>\$ 21,481,090</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				
	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 18,766,477	\$ 17,248,497	\$ 15,514,375	\$ 13,774,312	\$ 13,072,062
Special Assessments	556,682	1,095,973	2,802,940	328,504	234,032
Licenses & Permits	781,464	411,007	463,760	563,452	426,812
Intergovernmental Revenue	9,220,313	8,328,181	8,150,101	6,375,503	5,871,649
Nongovernmental Grants	21,181	5,520	13,000	1,200	71,265
Keno Revenue	698,497	785,107	782,377	664,431	621,592
Charges for Services	3,215,829	2,773,316	2,734,294	2,141,961	2,167,855
Occupation & Franchise Taxes	929,136	1,257,245	3,073,366	2,869,552	2,965,013
Contributions	870,519	1,909,501	25,604	40,796	91,081
Payments in Lieu of Taxes	270,047	253,564	212,560	212,886	222,567
Parking Fees and Rentals	4,720,904	4,688,592	4,655,640	4,624,271	4,654,615
Loan Repayments	47,610	50,971	61,476	55,587	20,681
Interest	1,440,018	339,773	187,901	365,651	537,578
TIF Bond Revenue	4,140,596	4,652,802	2,895,352	-	-
Miscellaneous	190,960	127,539	166,811	124,416	251,518
Annexation Revenue	-	114,185	-	-	-
Total Revenue	45,870,233	44,041,773	41,739,557	32,142,522	31,208,320
Expenditures					
General Government	3,464,426	3,942,291	2,753,848	2,734,938	2,437,532
Public Safety	13,317,654	13,214,392	11,886,436	11,690,704	11,609,441
Public Works	20,400,266	16,312,203	9,055,189	8,060,727	12,517,851
Public Library	1,985,477	1,718,364	1,675,713	1,566,562	1,576,692
Parks and Recreation	5,824,025	4,822,169	3,322,977	3,372,195	2,884,573
Community Improvement & Development	6,845,421	6,886,196	5,450,085	5,870,586	6,132,869
Debt Service					
Principal Retirement	866,889	3,955,483	4,535,000	2,245,000	2,235,000
Interest	958,893	258,756	435,009	519,489	448,904
Total Expenditure	53,663,051	51,109,854	39,114,257	36,060,201	39,842,862
Excess (Deficiency) of Revenues over expenditures	(7,792,818)	(7,068,082)	2,625,300	(3,917,679)	(8,634,542)
Other Financing Sources (Uses)					
Insurance Proceeds	48,688	11,251	-	7,402	13,871
Issuance of TIF Proceeds	-	-	-	4,081,227	4,210,750
Issuance of Debt	1,965,000	20,285,000	4,175,000	-	2,290,000
Leases	-	8,196	-	-	-
Information Technology Subscriptions	48,529	-	-	-	-
Premium on Bonds	37,221	175,527	-	-	-
Issuance of Refunding Bonds	-	-	1,005,000	-	-
Debt Service on Refunded Bonds	-	-	(1,005,000)	-	-
Transfers In	3,680,203	4,435,433	6,048,055	2,503,321	1,980,970
Transfers Out	(3,494,907)	(4,264,717)	(6,048,055)	(2,503,321)	(1,963,878)
Total Other Financing Sources (Uses)	2,284,734	20,650,690	4,175,000	4,088,629	6,531,713
Net Change in Fund Balances	\$ (5,508,084)	\$ 13,582,609	\$ 6,800,300	\$ 170,950	\$ (2,102,829)
Debt Service as a Percentage of Noncapital Expenditures	5.23%	11.37%	14.67%	10.56%	9.06%

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues					
Taxes	\$ 13,789,353	\$ 14,435,331	\$ 14,154,637	\$ 12,803,574	\$ 11,118,944
Special Assessments	655,903	194,862	478,529	184,987	200,654
Licenses & Permits	444,192	367,889	271,234	321,575	271,175
Intergovernmental Revenue	6,709,209	4,912,529	4,910,812	4,347,275	4,079,487
Nongovernmental Grants	134,940	50,000	50,000	-	-
Keno Revenue	642,534	584,717	552,493	611,740	572,632
Charges for Services	2,144,854	2,089,143	1,980,265	1,841,576	1,890,616
Occupation & Franchise Taxes	2,827,862	2,705,165	2,680,188	2,764,651	2,781,029
Contributions	137,269	436,499	17,661	204,577	559,517
Payments in Lieu of Taxes	209,684	209,221	203,371	202,867	184,689
Parking Fees and Rentals	4,677,817	4,535,554	4,596,859	4,620,528	4,681,679
Loan Repayments	31,428	71,501	156,428	570,883	104,783
Interest	259,251	179,142	94,744	51,653	49,655
Tif Bond Revenue	-	-	-	-	-
Miscellaneous	179,725	190,118	147,949	314,105	124,215
Annexation Revenue	-	-	-	-	-
Total Revenue	32,842,021	30,961,671	30,295,170	28,839,991	26,619,075
Expenditures					
General Government	2,443,110	2,612,548	2,473,293	2,575,062	2,698,982
Public Safety	10,167,136	9,987,194	10,209,750	10,019,243	8,967,532
Public Works	6,633,898	8,501,967	7,181,786	5,766,816	6,597,380
Public Library	5,954,475	5,137,451	1,718,799	1,334,676	1,355,079
Parks and Recreation	3,481,853	2,554,955	2,785,403	2,314,769	2,816,830
Community Improvement & Development	3,334,776	1,091,316	4,449,547	1,265,759	1,031,844
Debt Service					
Principal Retirement	2,155,000	3,960,000	13,535,000	1,695,000	2,620,000
Interest	389,154	443,424	595,287	667,145	649,134
Total Expenditure	34,559,402	34,288,855	42,948,865	25,638,470	26,736,781
Excess (Deficiency) of Revenues over expenditures	(1,717,381)	(3,327,184)	(12,653,695)	3,201,521	(117,706)
Other Financing Sources (Uses)					
Insurance Proceeds	24,676	-	20,885	218,996	141,778
Issuance of TIF Proceeds	-	-	-	-	-
Issuance of Debt	3,415,000	-	870,000	1,480,000	2,625,000
Leases	-	-	-	-	-
Information Technology Subscriptions	-	-	-	-	-
Premium on Bonds	-	-	453,613	-	-
Issuance of Refunding Bonds	-	1,520,000	9,420,000	-	795,000
Debt Service on Refunded Bonds	-	-	-	-	-
Transfers In	4,338,194	4,754,981	4,825,719	2,765,647	2,171,879
Transfers Out	(4,338,194)	(4,742,481)	(4,825,719)	(2,765,647)	(2,171,879)
Total Other Financing Sources (Uses)	3,439,676	1,532,500	10,764,498	1,698,996	3,561,778
Net Change in Fund Balances	\$ 1,722,295	\$ (1,794,684)	\$ (1,889,197)	\$ 4,900,517	\$ 3,444,072
Debt Service as a Percentage of Noncapital Expenditures	9.02%	17.82%	37.92%	11.14%	13.77%

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
2023	\$ 784,800,305	1.50%
2022	731,462,910	1.50%
2021	687,203,571	1.50%
2020	611,706,333	1.50%
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%

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	
2023	1.50%	5.50%	7.00%
2022	1.50%	5.50%	7.00%
2021	1.50%	5.50%	7.00%
2020	1.50%	5.50%	7.00%
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%

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	2023			2014		
	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales	Net Taxable Sales	Rank	Percentage of Total Net Taxable Sales
Retail Trade	\$ 392,219,567	1	52.65%	\$ 313,479,840	1	52.49%
Accommodation & Food Services	90,837,097	2	12.19%	60,319,040	2	10.10%
Other	261,884,116	-	35.16%	223,419,334	-	37.41%
Total	\$ 744,940,780		100.00%	\$ 597,218,214		100.00%

Note: Amounts shown are net taxable sales, which includes refunds and does not include motor vehicle net sales. The numbers are only available on a calendar year basis. 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
2023	\$ 2,258,553,515	\$ 113,015,789	\$ 2,371,569,304	0.2976
2022	2,082,504,423	106,967,897	2,189,472,320	0.3089
2021	1,836,323,928	69,866,598	1,906,190,526	0.3129
2020	1,768,115,204	59,822,198	1,827,937,402	0.2610
2019	1,587,354,266	58,508,792	1,645,863,058	0.2616
2018	1,527,100,699	58,347,001	1,585,447,700	0.2619
2017	1,414,978,332	51,546,991	1,466,525,323	0.2583
2016	1,336,246,190	47,747,588	1,383,993,778	0.2582
2015	1,269,843,679	50,035,023	1,319,878,702	0.2530
2014	1,214,361,524	44,813,004	1,259,174,528	0.2533

(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

TABLE 9

Property Tax Rates-Direct and Overlapping Governments (1)
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
CITY OF NORFOLK										
GENERAL FUND	0.2501	0.2577	0.2539	0.2095	0.1937	0.1928	0.1880	0.1685	0.1591	0.1549
DEBT SERVICE	0.0431	0.0466	0.0536	0.0460	0.0373	0.0373	0.0366	0.0529	0.0555	0.0581
ECONOMIC DEVELOPMENT FUND	0.0000	0.0000	0.0000	0.0000	0.0245	0.0255	0.0275	0.0306	0.0321	0.0337
VEHICLE PARKING FUND(3)	0.0044	0.0046	0.0054	0.0055	0.0061	0.0063	0.0062	0.0062	0.0063	0.0066
TOTAL DIRECT RATE	<u>0.2976</u>	<u>0.3089</u>	<u>0.3129</u>	<u>0.2610</u>	<u>0.2616</u>	<u>0.2619</u>	<u>0.2583</u>	<u>0.2582</u>	<u>0.2530</u>	<u>0.2533</u>
OVERLAPPING RATES (2)										
MADISON COUNTY	0.3663	0.3903	0.3742	0.3700	0.3793	0.3265	0.3267	0.3268	0.3283	0.3557
SCHOOL DISTRICT NO 2	1.0247	1.0781	1.0800	1.1275	1.1735	1.1766	1.1880	1.2051	1.2098	1.2154
NORTHEAST COMMUNITY COLLEGE	0.0900	0.0925	0.0940	0.0950	0.0950	0.0950	0.0909	0.0913	0.0953	0.0990
NORFOLK AIRPORT AUTHORITY	0.0345	0.0345	0.0396	0.0357	0.0397	0.0412	0.0437	0.0318	0.0334	0.0306
LOWER ELKHORN NRD	0.0226	0.0230	0.0232	0.0244	0.0237	0.0231	0.0233	0.0240	0.0241	0.0251
AGRICULTURAL SOCIETY MADISON COUNTY	0.0098	0.0106	0.0109	0.0109	0.0112	0.0109	0.0110	0.0110	0.0110	0.0116
EDUCATIONAL SERVICES UNIT #8	0.0150	0.0150	0.0150	0.0135	0.0133	0.0131	0.0131	0.0126	0.0126	0.0126
NORFOLK SANITARY DISTRICT	0.0049	0.0053	0.0060	0.0062	0.0147	0.0148	0.0099	0.0100	0.0099	0.0099
RAILROAD TRANSPORTATION SAFETY DIST.	0.0000	0.0066	0.0072	0.0079	0.0083	0.0083	0.0101	0.0093	0.0079	0.0060
TOTAL OVERLAPPING RATES	<u>1.5678</u>	<u>1.6559</u>	<u>1.6501</u>	<u>1.6911</u>	<u>1.7587</u>	<u>1.7095</u>	<u>1.7167</u>	<u>1.7219</u>	<u>1.7323</u>	<u>1.7659</u>
TOTAL PROPERTY TAXES	1.8654	1.9648	1.9630	1.9521	2.0203	1.9714	1.9750	1.9801	1.9853	2.0192

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

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

(3) THE TAX RATE IN THE VEHICLE PARKING DISTRICT IN DOWNTOWN NORFOLK NEBRASKA IS .35 PER \$100 OF ASSESSED VALUATION. THE DISTRICT'S ASSESSED VALUATION IS ABOUT 2% OF THE CITY ASSESSED VALUATION. THE RATE REPORTED IS THE RATE THAT IF APPLIED TO THE CITY VALUATION RESULTS IN THE DISTRICT'S PROPERTY TAX LEVIED.

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

TABLE 10

TAXPAYERS	TYPE OF BUSINESS	2023			2014		
		TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE
FAITH REGIONAL HEALTH SERVICES	MEDICAL OFFICES	\$ 38,229,947	1	1.61%	\$ 9,329,320	3	0.74%
ELKHORN VALLEY BANK & TRUST	FINANCIAL INSTITUTION	15,658,162	2	0.66%	-	-	0.00%
MIDWEST BANK NA	FINANCIAL INSTITUTION	14,901,271	3	0.63%	-	-	0.00%
MENARD INC	RETAIL STORE	11,702,165	4	0.49%	6,244,800	6	0.50%
NORFOLK LODGE & SUITES LLC	HOTEL	11,405,584	5	0.48%	-	-	0.00%
WIS-PAK OF NORFOLK INC.	BOTTLING DISTRIBUTION	11,110,971	6	0.47%	6,217,370	7	0.49%
BLACK HILLS NEBRASKA GAS LLC	UTILITY	10,163,944	7	0.43%	-	-	0.00%
WAL-MART	RETAIL STORE	9,942,757	8	0.42%	9,792,578	2	0.78%
NORTH KINGS HIGHWAY LLC	SHOPPING MALL	9,317,009	9	0.39%	-	-	0.00%
HY-VEE INC	GROCERY STORE	8,900,105	10	0.38%	-	-	0.00%
N S P LLC	SHOPPING MALL	-	-	0.00%	13,165,843	1	1.05%
HEARTLAND PANTRY INC	RETAIL STORE	-	-	0.00%	8,800,461	4	0.70%
HERITAGE OF NORFOLK INC	NURSING HOME	-	-	0.00%	6,565,133	5	0.52%
TIMM VILLAGE GREEN LLC	APARTMENTS	-	-	0.00%	5,808,872	8	0.46%
UNION PACIFIC RAILROAD CO	RAILROAD	-	-	0.00%	4,814,472	9	0.38%
QWEST CORPORATION	TELEPHONE	-	-	0.00%	4,788,479	10	0.38%
TOTAL		\$ 141,331,915		5.96%	\$ 75,527,328		6.00%

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
2023	\$ 6,777,097	\$ 6,637,531	97.94%	\$ -	\$ 6,637,531	97.94%
2022	5,968,681	5,837,422	97.80%	130,472	5,967,894	99.99%
2021	4,774,439	4,662,468	97.65%	107,873	4,770,341	99.91%
2020	4,307,369	4,195,494	97.40%	96,716	4,292,210	99.65%
2019	4,153,321	3,586,171	86.34%	557,080	4,143,251	99.76%
2018	3,790,655	3,687,877	97.29%	91,051	3,778,928	99.69%
2017	3,573,866	3,466,463	96.99%	96,444	3,562,907	99.69%
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%

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

TABLE 12

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	DEBT PER CAPITA (1)	PERCENTAGE OF PERSONAL INCOME (1)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	LEASES	SBITAS	REVENUE BONDS	LEASES	SBITAS			
	2023	\$ 25,145,354	\$ 5,823,791	\$ 51,127	\$ 109,253	\$ 12,273,262	\$ 31,884			
2022	25,582,432	4,200,000	71,654	-	12,931,929	47,768	-	42,833,783	1,652.03	1.94
2021	8,668,702	4,615,000	-	-	8,156,894	-	-	21,440,596	858.76	1.01
2020	12,016,891	1,650,000	-	-	8,548,370	-	-	22,215,261	890.21	1.16
2019	14,168,543	1,790,000	-	-	8,936,054	-	-	24,894,597	1,018.23	1.37
2018	13,880,514	2,095,000	-	-	9,290,187	-	-	25,265,701	1,024.94	1.41
2017	14,606,376	905,000	-	-	5,700,000	-	-	21,211,376	868.11	1.26
2016	16,912,454	1,105,000	-	-	6,595,000	-	-	24,612,454	1,010.86	1.54
2015	19,950,000	990,000	-	-	7,440,000	-	-	28,380,000	1,164.74	1.79
2014	20,100,000	1,195,000	-	-	8,305,000	-	-	29,600,000	1,210.93	1.91

Notes: (1) See Table 16 for income and population data. 2023 population and personal income numbers are unavailable.

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
2023	\$ 25,145,354	\$ 1,660,751	\$ 26,806,105	\$ 5,790,368	\$ 21,015,737	N/A	0.93%
2022	25,582,432	1,613,881	27,196,313	5,032,126	22,164,187	854.84	1.06%
2021	8,668,702	1,772,854	10,441,556	4,010,592	6,430,964	257.58	0.35%
2020	12,016,891	632,066	12,648,957	3,556,622	9,092,335	364.35	0.51%
2019	14,168,543	685,102	14,853,645	3,221,437	11,632,208	475.77	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%

Notes: (1) See Table 16 for population data. 2023 population numbers are unavailable.

CITY OF NORFOLK, NEBRASKA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF SEPTEMBER 30, 2023

TABLE 14

GOVERNMENTAL UNITS	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (1)	DIRECT AND OVERLAPPING DEBT TO THE CITY
DIRECT:			
CITY	\$ 31,129,525	100.00%	\$ 31,129,525
OVERLAPPING:			
Norfolk School District #2	\$ 6,400,000	70.26%	\$ 4,496,640

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	
2023	\$ 12,978,251	\$ 7,957,301	\$ 5,020,950	\$ 615,000	\$ 278,735	\$ 893,735	5.62
2022	11,911,894	7,833,571	4,078,323	395,000	274,273	669,273	6.09
2021	10,750,245	7,126,706	3,623,539	380,000	206,094	586,094	6.18
2020	10,437,223	7,278,850	3,158,373	370,000	211,223	581,223	5.43
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

1) TOTAL OPERATING REVENUE PLUS INTEREST INCOME LESS STORMWATER DIVISION

2) TOTAL OPERATING EXPENSES EXCLUSIVE OF DEPRECIATION AND AMORTIZATION LESS STORMWATER DIVISION

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)
2023	N/A	N/A	N/A	4,519	2.0%
2022	25,928	2,209,345	62,467	4,546	2.0%
2021	24,967	2,126,201	60,169	4,480	1.4%
2020	24,955	1,918,321	55,104	4,437	3.5%
2019	24,449	1,817,604	51,785	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%

Sources: (1) These figures are estimates compiled from the most recent data available from the Bureau of Census and the NE Dept of Labor. 2023 numbers are unavailable.
 (2) Bureau of Economic Analysis. 2023 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	2023			2014		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Faith Regional Health Services	1,384	1	5.34%	1,185	1	5.19%
Nucor Corporation	1,130	2	4.36%			
Northeast Community College	734	3	2.83%	704	2	3.08%
Norfolk Public Schools	697	4	2.69%	604	4	2.65%
Associated Wholesale Grocers	433	5	1.67%			
Walmart	411	6	1.59%	339	10	1.49%
Conitech	330	7	1.27%			
Cardinal Health	202	8	0.78%			
Norfolk Iron & Metal	201	9	0.78%			
Wis-Pak	145	10	0.56%			
Affiliated Foods Midwest				654	3	2.87%
Vulcraft Division of Nucor Corp				515	5	2.26%
Nucor Steel Division of Nucor Corp				490	6	2.15%
Wayne State College				476	7	2.09%
Covidien				385	8	1.69%
Veyance Technologies				362	9	1.59%
Total	5,667		21.87%	5,714		25.06%

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	32.00	30.00	27.75	28.15	26.34	29.00	29.00	29.00	26.88	25.88
Engineering	6.00	6.00	6.00	6.00	6.00	7.00	6.00	6.00	6.00	5.00
Public Safety										
Police	51.94	50.94	63.50	62.50	62.40	62.00	60.50	60.00	60.00	58.00
Fire	35.90	34.90	35.40	35.40	31.55	36.55	36.05	36.05	37.00	37.00
Region 11	1.10	1.10	1.10	1.10	0.95	0.95	0.95	0.95	1.00	1.00
SNARE	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Dispatch	16.07	16.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Streets	20.00	18.60	23.60	23.60	22.62	22.62	22.62	22.62	23.25	23.25
Fleet	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Development	6.00	6.00	6.00	6.00	7.00	0.00	0.00	0.00	0.00	0.00
Culture & Recreation										
Parks	26.00	25.40	24.40	24.40	21.00	19.00	19.00	20.00	20.00	22.00
Recreation	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Library	16.16	16.07	16.07	16.07	16.07	15.64	15.64	15.21	15.38	15.38
Housing	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75	5.75
Economic Development										
Operating	3.00	3.00	3.25	3.25	2.66	2.00	3.00	3.00	3.00	3.00
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	10.00	9.50	8.50	8.50	8.50	8.50	8.50	8.50	9.00	9.00
Solid Waste Management	8.88	8.88	8.88	7.88	8.38	7.38	7.38	6.38	5.38	6.38
Stormwater Utility	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	260.18	253.59	246.58	244.98	236.60	233.77	231.77	230.84	229.77	228.77

Source: City of Norfolk Finance

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

TABLE 19

FUNCTION	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Purchase Orders Processed	-	-	-	-	-	-	-	-	-	31
Water/Sewer Customers Billed	10,057	9,968	9,863	9,835	9,712	9,649	9,633	9,602	9,551	9,523
Engineering										
Miles of Paving Districts	1.00	1.51	3.35	0.68	0.78	0.00	0.00	0.14	0.33	0.00
Miles of Street Reconstruction	1.96	7.40	0.45	0.71	1.20	1.40	0.00	0.17	0.32	0.10
Public Safety										
Police:										
Criminal Arrests	1,035	1,179	1,107	1,279	1,178	1,525	1,465	1,392	1,394	1,448
Traffic Arrests	1,711	2,033	3,012	2,226	2,115	1,865	2,129	2,391	3,097	2,388
Drug/Alcohol Arrests	510	639	849	797	709	705	712	749	696	705
Fire:										
Rescue Calls	2,803	2,646	2,430	2,078	2,048	2,100	1,960	2,066	2,007	1,912
Fire Calls	411	424	361	352	363	329	316	316	358	321
Culture and Recreation										
Library										
Total Circulation	245,647	236,094	227,974	200,529	288,029	253,346	265,698	295,787	309,281	321,954
Community Improvement and Development										
Planning and Development										
Building Permits	498	527	501	516	457	423	461	423	411	388
Water:										
Water Inspections	39	65	66	53	53	59	69	56	51	56
Locates	5,415	5,941	8,663	5,548	3,354	3,308	3,565	3,475	3,198	3,272
Sewer:										
Water Pollution Control										
Billion of Gallons treated	1.052	1.043	1.103	1.077	1.253	1.128	1.054	1.099	1.02	1.02
Sewer Maintenance										
Sewer Inspections	19	42	35	37	29	46	48	31	35	34
Solid Waste Management										
Average Daily Tonnage	117	113	113	111	122	113	112	109	106	102

Souces: Various City Departments

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

TABLE 20

FUNCTION	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City Auditorium (1)	-	-	-	-	-	-	-	-	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	1.00
City Council Chambers	-	-	-	-	-	-	-	-	-	1.00
Public Safety										
Police Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets										
Streets (Miles)	171.39	207.14	155.41	150.70	147.75	147.15	145.56	145.09	144.55	144.09
Streetlights	2,552	2,550	2,357	2,344	2,327	2,282	2,305	2,277	2,279	2,257
Parks										
Parks Acreage	474.78	474.78	474.78	430.96	422.20	422.20	422.20	421.60	421.60	414.00
Parks #	16.00	16.00	16.00	16.00	16.00	16.00	13.00	13.00	13.00	13.00
Swimming Pools	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tennis Courts	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water										
Water mains (miles)	190.00	190.00	146.00	141.00	137.00	131.00	127.00	126.00	126.00	129.00
Water treatment plants	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sewer										
Sanitary sewer (miles)	158.00	158.00	145.00	145.00	142.00	140.00	137.00	133.00	131.00	128.00
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

SINGLE AUDIT SECTION

City of Norfolk, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Direct Financial Assistance:			
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 2,616
		Program 16.607 Subtotal	2,616
U.S. Federal Communications Commission			
Emergency Connectivity Fund	32.009	N/A	14,396
		Program 32.009 Subtotal	14,396
Indirect Financial Assistance:			
Pass-Through the Nebraska Department of Economic Development			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	23-ARPA-11004	31,756
Pass-Through the Nebraska Department of Administrative Services			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	258,135
		Program 21.027 Subtotal	289,891
U.S. Department of Health & Human Services			
Pass-Through the Elkhorn-Logan Valley Health Dept			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	3,500
		Program 93.959 Subtotal	3,500
Pass-Through the Nebraska Game & Parks Commission			
Recreational Trails Program	20.219	RTP 2017(001)	85,629
		Program 20.219 Subtotal	85,629
U.S. Department of Homeland Security			
Pass-Through the Nebraska Emergency Management Agency			
COVID 19 - Disaster Grants-Public Assistance	97.036	DR-4521 PW 475	30,095
2019 Flood - Disaster Grants-Public Assistance	97.036	DR-4420	46,540
		Program 97.036 Subtotal	76,635
Hazard Mitigation Grant	97.039	DR-4521-NE-0013	80,093
		Program 97.039 Subtotal	80,093
Emergency Management Performance Grants	97.042	2022-EMPG	57,619
COVID 19 - Emergency Management Performance Grants	97.042	2021-EMPG ARPA	2,317
		Program 97.042 Subtotal	59,936
U.S. Department of Housing & Urban Development			
Pass-Through Nebraska Department of Economic Development			
Community Development Block Grant	14.228	17-DTR-104	4,125
Community Development Block Grant	14.228	20-EDCV-002	505,000
Community Development Block Grant	14.228	19-TD-002	297,342
		Program 14.228 Subtotal	806,467
Total Federal Award Expenditures			\$ 1,419,163

City of Norfolk, Nebraska
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Note 1: The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Norfolk, Nebraska (the City) under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: The City did not pass-through any funds to subrecipients during the year ended September 30, 2023.

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*

Independent Auditor's Report

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 (*Government Auditing Standards*), 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, 2023, 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, 2024, which contained an other matter paragraph regarding summarized comparative information.

Report on 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 (internal control) as a basis for designing 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* 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, 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Members of the City Council
City of Norfolk, Nebraska

Report on 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 financial statements. 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Lincoln, Nebraska
March 27, 2024

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Honorable Members of the City Council
City of Norfolk, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Norfolk, Nebraska's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Norfolk, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable Members of the City Council
City of Norfolk, Nebraska

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Lincoln, Nebraska
March 27, 2024

City of Norfolk, Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2023

- 8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
- 9. Auditee qualified as a low risk auditee? **Yes** **No**

Section II – Financial Statement Findings

Reference Number	Finding
No matters are reportable.	

Section III – Federal Awards Findings and Questioned Costs

Reference Number	Finding
No matters are reportable.	

**City of Norfolk, Nebraska
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023**

Reference Number	Summary of Finding	Status
	No matters are reportable.	