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C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

October 14, 2010

Pauline Sumption, Assistant Finance Officer  
City of Rapid City  
300 Sixth Street  
Rapid City, SD 57701-5035

We have reviewed and accepted your audit report on the:

City of Rapid City  
(For the Year Ended December 31, 2009)

Our review was limited to the report and did not include a review of the working papers.

It is our understanding that the Rapid City Journal is the official newspaper for the City of Rapid City. If this is not the case, please inform me of the name of the current official newspaper.

Please present a copy of this letter to the governing board to indicate our acceptance of the audit report.

Yours very truly,

Martin L. Guindon, CPA  
Auditor General

MLG:sld

cc: Casey Peterson & Associates, Ltd.  
Certified Public Accountants  
PO Box 8127  
Rapid City, SD 57709

**CITY OF RAPID CITY,  
SOUTH DAKOTA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2009

PREPARED BY:  
DEPARTMENT OF FINANCE  
PAULINE SUMPTION, FINANCE OFFICER



CITY OF RAPID CITY, SOUTH DAKOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

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# CITY OF RAPID CITY

## RAPID CITY, SOUTH DAKOTA 57701-5035

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### City Finance Office

300 Sixth Street

Rapid City, South Dakota 57701-5035

605-394-4143

September 29, 2010

Honorable Mayor, Members of the  
City Council and Citizens of Rapid City  
Rapid City, SD 57701

The enclosed Comprehensive Annual Financial Report of the City of Rapid City for the year ended December 31, 2009 was prepared by the City Finance Office. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The annual financial report has been prepared to substantially conform to the high standards for financial reporting promulgated by the Government Finance Officers Association for the United States and Canada.

#### Format:

The report has four sections -- Introductory, Financial, Single Audit and Statistical.

1. The Introductory Section includes a description of the form of government, the names of the elected officials and principal officers of the City, the organization chart, and this letter of transmittal.
2. The Financial Section includes the general purpose financial statements accompanied by our independent auditor's opinion. It also includes required and other supplementary statements.
3. The Statistical Section includes tables of unaudited data depicting the financial history of the government for the past ten (10) years (with the exception of Tables 1 & 2), information on overlapping governments, demographics, and other miscellaneous information. Tables 1 and 2 are depicted for only nine (9) years due to the implementation of GASB 34 in 2001. Prior to that, government-wide data is not available.
4. The Single Audit Section includes the Schedule of Expenditures of Federal Awards. Also included are various auditor reports in regards to compliance and internal controls.



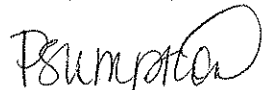
This Financial Report includes all funds of the City. The City provides a full range of services, including police and fire protection, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The City also operates water and wastewater treatment facilities and other enterprises. The City Council exercises oversight authority over an Airport Board, a Civic Center Board and a Library Board; therefore, these activities are included in the report.

Annual audits of the books of account, financial records, and transactions of the administrative departments of the City are conducted by the State of South Dakota Department of Legislative Audit or by independent certified public accountants selected by the City Council, which for 2009 was Casey Peterson & Associates, Ltd. The independent certified public accountants' unqualified opinion has been included with this report.

The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Office. I would like to express my appreciation to all members of the Office for the contributions to its preparation.

I also want to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "P. Sumption", with a stylized flourish at the end.

Pauline Sumption  
Finance Officer

CITY OF RAPID CITY  
ELECTED OFFICIALS AND PRINCIPAL OFFICERS  
DECEMBER 31, 2009

The City of Rapid City is under the aldermanic form of government, consisting of a full-time mayor and ten council members. Each is elected for a two-year term. Two council members are elected from each of the five wards, with terms expiring in alternate years. The officials and officers as of December 31, 2009 were as follows:

<u>ELECTIVE OFFICIALS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Alan Hanks	Mayor	2011
Patty Martinson	Council Representative	2010
Ron Weifenbach	Council Representative	2011
Sam Kooiker	Council Representative	2010
Deb Hadcock	Council Representative	2011
Karen Gundersen Olson	Council Representative	2010
Bill Waugh	Council Representative	2011
Lloyd LaCroix	Council Representative	2010
Ron Kroeger	Council Representative	2011
Aaron Costello	Council Representative	2011
Malcom Chapman	Council Representative	2010

PRINCIPAL OFFICERS

Airport Manager	Cameron Humphres
City Attorney	Jason Green
Building Inspector	Brad Solon
Civic Center Director	Brian Maliske
Finance Officer	James Preston
Assistant Finance Officer	Pauline Sumption
Fire Chief	Mark Rohlfing
Growth Management Director	Marcia Elkins
Library Director	Greta Chapman
Parks and Recreation Director	Jerry Cole
Community Resources Director	Kevin Thom
Police Chief	Steve Allender
Public Works Director	Robert Ellis
Street Superintendent	Don Brumbaugh
Sanitation Superintendent	Jerome Wright
Water Superintendent	John Wagner
Water Reclamation Superintendent	Dave VanCleave

CITY OF RAPID CITY  
APPOINTED BOARDS  
December 31, 2009

LIBRARY BOARD – 3 YEAR TERMS

TERM EXPIRES

James Olson, Chairman	December 2010
Richard Haeder	December 2012
Sandra McNeely	December 2011
Laura Patterson	December 2011
Monte Loos	December 2010

CIVIC CENTER BOARD – 3 YEAR TERMS

John Herr, Chairman	January 2010
Eddie Rypkema	January 2012
Rich Huffman	January 2012
Dave Davis	January 2010
Batool Merali	January 2012

AIRPORT BOARD – 5 YEAR TERMS

Ron Johnsen, President	May 2011
Dick McConnell	May 2014
Jerome Mitchell	May 2010
Bert Corwin	May 2014
Dan Kuecker	May 2010

PLANNING COMMISSION – 3 YEAR TERMS

Andy Scull, Chairman	July 2010
Gary Brown	July 2012
Barb Collins	July 2011
John Brewer	July 2010
Pat Wyss	July 2011
Linda Marchand	July 2010
Steve Rolinger	July 2011
Julie Gregg	July 2011
Erik Braun	July 2012
Dennis Landguth	July 2012

CITY OF RAPID CITY  
ORGANIZATIONAL CHART  
DECEMBER 31, 2009

CITIZENS

ELECTORATE OF RAPID CITY, SOUTH DAKOTA  
CITY COUNCIL

MAYOR  
Alan Hanks

Library Board  
James Olson, Chairman

Civic Center Board  
John Herr, Chairman

Library Director  
Greta Chapman

Civic Center Director  
Brian Maliske

Planning Commission  
Andy Scull, Chairman

Airport Board  
Ron Johnsen, President

Growth Management Director  
Marcia Elkins

Airport Manager  
Cameron Humphres

<u>Attorney</u>	<u>Finance</u>	<u>Community Resources</u>	<u>Parks and Recreation</u>	<u>Public Works</u>	<u>Police</u>	<u>Fire</u>
J. Green	J. Preston	K. Thom	J. Cole	R. Ellis	S. Allender	M. Rohlfing
	P. Sumption					
			<u>Aquatics</u> D. Olney	<u>Water</u> J. Wagner		
			<u>Parks</u> L. VanDeusen	<u>Water Reclamation</u> D. VanCleave		
			<u>Recreation</u> D. Lowe	<u>Streets</u> D. Brumbaugh		
				<u>Sanitation</u> J. Wright		
				<u>Energy Plant</u> G. Dzintars		
				<u>Transit</u> R. Sagen		

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## Independent Auditors' Report

To the City Council  
City of Rapid City, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of City of Rapid City (the City), South Dakota, as of and for the year ended December 31, 2009, which collectively comprises the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Museum Alliance of Rapid City, Inc, which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Museum Alliance of Rapid City, Inc. component unit, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Museum Alliance of Rapid City, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 59 through 65 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 statements and the budgetary comparison schedules within the financial section, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in blue ink that reads "Casey Peterson & Associates, Ltd." with a stylized flourish at the end.

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota  
September 30, 2010

## **CITY OF RAPID CITY, SOUTH DAKOTA**

### **Management's Discussion and Analysis**

As management of the City of Rapid City, we offer readers of the City of Rapid City's financial statements this narrative overview and analysis of the financial activities of the City of Rapid City for the fiscal year ended December 31, 2009. We encourage readers to consider it in conjunction with the additional information presented in the basic financial statements and the notes to the financial statements.

The City of Rapid City provides many municipal services including public safety, streets, parks, general administration and public utilities. For financial reporting purposes, all funds, agencies, boards, commissions, trusts and authorities involved in the provision of these services are included if the City is financially accountable. Financial accountability is determined by several different factors including fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits, and separate legal entity status.

#### ***Financial Highlights***

- The assets of the City of Rapid City exceeded its liabilities at the close of the most recent fiscal year by \$530,633,430.50 (Net assets). Of this amount, \$80,609,891.11 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets increased by \$21,004,398.88.
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$59,649,301.96.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$11,998,239.54 or about twenty-six percent (26%) of total general fund expenditures.
- The City of Rapid City's total debt increased by \$50,621,370.77 during the current fiscal year after taking into account the other post employment benefit liability. \$45,100,000 of the increase is due to the financing package put into place for the Jackson Springs Water Treatment Facility, construction of which is to begin in FY 2010. The remainder of the increase is primarily due to the certification of costs for additional tax increment districts.

#### ***Overview of the Financial Statements***

The discussion and analysis are intended to serve as an introduction to the City of Rapid City's basic financial statements. The City of Rapid City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains both required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Rapid City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Rapid City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Rapid City is improving or deteriorating.



The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Rapid City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Rapid City include general government, public safety, public works, health & welfare, conservation and development, and culture and recreation. The business-type activities of the City of Rapid City include water, water reclamation, airport, solid waste, civic center, golf, cemetery, parking, ambulance, energy plant and transportation terminal.

The government-wide financial statements can be found on pages 11-12 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rapid City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Rapid City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Rapid City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and three special revenue funds, all of which are considered to be major funds. Data from the other thirty-seven (37) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Rapid City adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-17 of this report.

**Proprietary Funds.** The City of Rapid City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Rapid City uses enterprise funds to account for its water, water reclamation, airport, solid waste, civic center, golf, cemetery, parking, ambulance, energy plant and transportation terminal operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Rapid City's various functions. The City of Rapid City uses internal service funds to account for its worker's compensation, health, dental and liability insurance and unemployment compensation management. These services benefit all functions and they have been allocated to each based on the ratio of the individual function's payroll to the total payroll of the City in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, water reclamation, airport, waste recycling and civic center which are considered to be major funds of the City of Rapid City. Data from the other nine enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 18-25 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Rapid City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 26 of this report.

**Notes to Financial Statements.** 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 to the financial statements can be found on pages 27-58 of this report.

**Required Supplementary Information.** The basic financial statements are followed by a section of required supplementary information. This section includes a Budgetary Comparison Schedule, and related notes, for the General Fund and for each major special revenue fund that has a legally adopted annual budget. It also includes Schedules of Funding Progress and Employer Contributions for Retiree Health Insurance Coverage. The required supplementary information can be found on pages 59-65.

**Other Information.** The supplementary combining statements referred to earlier in connection with non-major governmental and proprietary funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 66-123 of this report.

### ***Government-wide Financial Analysis***

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Rapid City, assets exceeded liabilities by \$530,633,430.50 at the close of the most recent fiscal year.

By far the largest portion of the City of Rapid City's total assets (73.7%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Rapid City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Rapid 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 other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Following is a comparison between the current and prior year's assets, liabilities and changes in net assets.

#### **CITY OF RAPID CITY'S NET ASSETS (in thousands)**

	<b>Government Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2008	2009	2008	2009	2008	2009
Current and Other Assets	\$ 77,986	\$ 75,519	\$ 39,769	\$ 83,825	\$ 117,755	\$ 159,344
Capital Assets	228,718	241,024	269,384	285,685	498,102	526,709
Total Assets	306,704	316,543	309,153	369,510	615,857	686,053
Long-term liabilities outstanding	56,116	58,372	24,833	70,429	80,949	128,801
Other liabilities	17,907	20,294	7,373	6,324	25,279	26,618
Total liabilities	74,022	78,666	32,206	76,754	106,228	155,419
<u>Net assets:</u>						
Invested in capital assets, net of related debt	164,694	172,182	244,066	259,988	408,760	432,171
Restricted	18,539	14,759	8,412	3,094	26,951	17,853
Unrestricted	49,449	50,936	24,469	29,674	73,918	80,610
Total net assets	\$ 232,682	\$ 237,878	\$ 276,947	\$ 292,756	\$ 509,629	\$ 530,633

A portion of the City of Rapid City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$80,609,891.11) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Rapid City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Changes in Net Assets:**  
**City of Rapid City's Changes in Net Assets**  
**(In Thousands)**

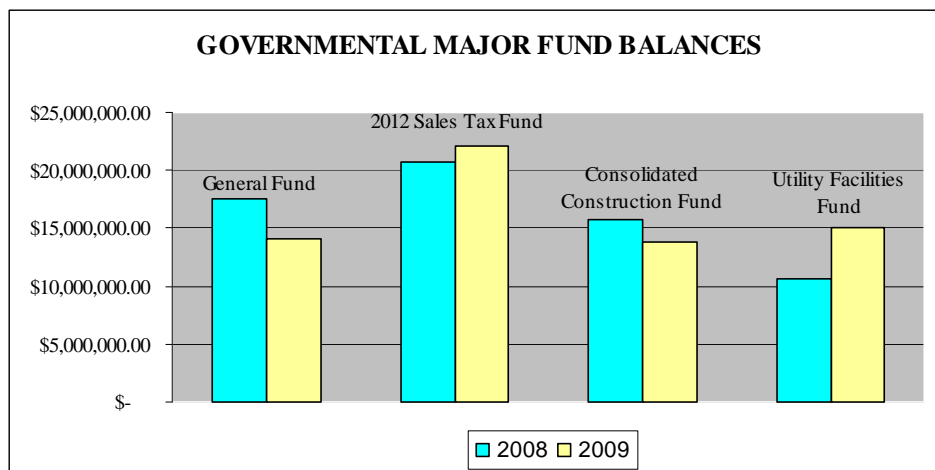
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 6,939	\$ 5,963	\$ 40,731	\$ 44,278	\$ 47,671	\$ 50,241
Operating grants & contributions	1,523	2,302	-	-	1,523	2,302
Capital grants and contributions	6,855	3,152	5,449	1,533	12,305	4,684
General Revenues						
Property taxes	15,636	18,260	-	-	15,636	18,260
Other taxes	45,343	44,575	3,176	3,306	48,518	47,881
State/County shared revenue	1,379	1,346	-	-	1,379	1,346
Unrestricted investment earnings	2,972	1,215	1,541	606	4,513	1,821
Other	163	(171)	582	303	745	132
Total Revenues	80,810	76,642	51,479	50,026	132,290	126,668
<b>Expenses:</b>						
General government	3,287	2,980	-	-	3,287	2,980
Public safety	20,164	20,432	-	-	20,164	20,432
Public works	15,970	16,769	-	-	15,970	16,769
Health and welfare	2,722	2,963	-	-	2,722	2,963
Conservation & development	4,790	4,685	-	-	4,790	4,685
Culture & recreation	10,371	9,626	-	-	10,371	9,626
Interest on long-term debt	3,351	3,359	-	-	3,351	3,359
Miscellaneous	1,291	1,239	-	-	1,291	1,239
Water reclamation	-	-	6,391	6,314	6,391	6,314
Water	-	-	6,209	7,371	6,209	7,371
Golf	-	-	1,005	1,021	1,005	1,021
Recycling	-	-	3,837	2,876	3,837	2,876
Executive Golf	-	-	197	228	197	228
Airport	-	-	6,105	5,213	6,105	5,213
Waste collection	-	-	1,554	1,686	1,554	1,686
Waste disposal	-	-	1,809	2,422	1,809	2,422
Civic center	-	-	8,019	10,114	8,019	10,114
Cemetery	-	-	239	248	239	248
Parking	-	-	551	577	551	577
Energy plant	-	-	335	244	335	244
Transportation terminal	-	-	84	101	84	101
Ambulance	-	-	2,610	2,557	2,610	2,557
Total Expenses	61,944	62,053	38,945	40,971	100,890	103,025
Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers	18,866	14,589	12,534	9,054	31,400	23,643
Fund Transfers	(21,395)	(9,904)	21,395	9,904	-	-
Change in Net Assets	(2,529)	4,684	33,929	18,959	31,400	23,643
Net Assets-Beginning	235,211	232,682	243,018	276,947	478,229	509,629
Prior Period Adjustment	-	511	-	(3,150)	-	(2,639)
NET ASSETS – ENDING	\$ 232,682	\$ 237,878	\$ 276,947	\$ 292,756	509,629	\$ 530,633

### ***Financial Analysis of the Government's funds.***

**Governmental Funds.** The focus of the City of Rapid City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Rapid City's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

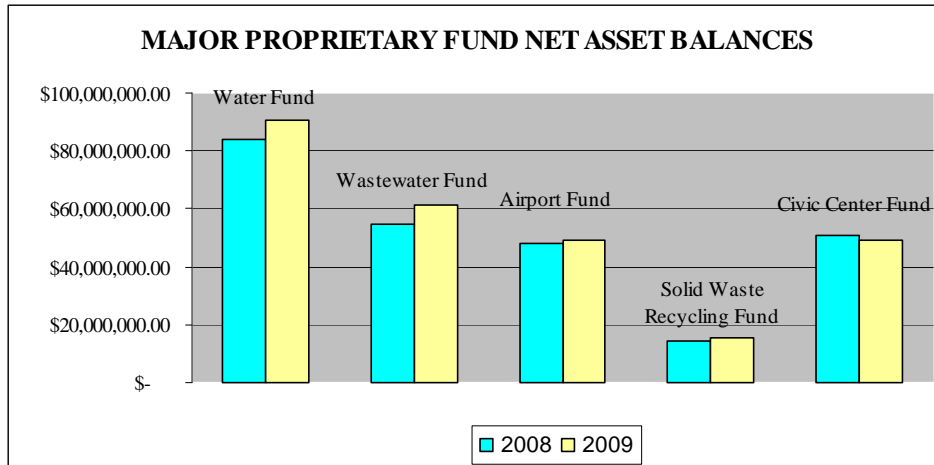
At the end of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$59,649,301.96. Approximately 57.5% of this total amount (\$34,294,188.54) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$13,669,895.40), 2) for inventories (\$216,052.61), 3) for advances to other funds (\$7,373,876.62), 4) notes receivable (\$3,066,923.49), 5) for the business improvement districts (\$1,018,335.50) and 6) for the RSVP program (\$10,029.80).

The General Fund balance decreased by \$3,475,533.52 in 2009, which was primarily due to a decrease in revenues such as sales tax (\$999,705.51) and interest earned (\$1,756,944.53). The 2012 Sales Tax Fund balance increased \$1,376,611.84 due to fewer capital outlay projects being completed and a \$1,000,000 donation for the Main Street Square project. The Consolidated Construction Fund balance decreased \$1,913,607.31 due to payment for projects as approved in the Construction Improvement plan. The Utility Facilities Fund balance increased \$1,307,807.14 due to fewer projects being completed.



**Proprietary Funds.** The City of Rapid City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets in the respective proprietary funds are water - \$3,198,811.52, wastewater - \$7,377,098.33, airport - \$3,214,622.33, waste recycling - \$4,495,317.46, civic center - \$310,646.86, waste collection - \$3,158,890.04, waste disposal - \$4,450,339.61, executive golf - (\$15,617.46), cemetery - \$57,783.54, golf - (\$31,135.85), parking lot - \$540,821.66, energy plant - (\$178,705.47) ambulance - \$1,980,637.88 and transportation terminal - \$98,477.71. Eight funds had increases in net assets in 2009 and those increases are as follows: water - \$9,975,290.14, wastewater - \$6,609,264.49, airport - \$1,073,227.33, waste recycling - \$1,404,299.03, waste collection - \$583,472.63, parking - \$74,844.22, energy plant - \$21,095.12 and transportation terminal \$517,749.06. Six funds had decreases in net assets. These decreases are as follows: civic center - (\$1,295,982.93), waste disposal - (\$428,762.81), executive golf - (\$32,111.03), cemetery - (\$32,369.93), golf - (\$54,067.17) and ambulance (\$48,343.74).



### ***Budgetary Highlights***

**General Fund.** Supplemental appropriations primarily involved grant funds or “windfalls.” It is not legally required to officially supplement the budget. It is the practice of the City of Rapid City to do so to provide full public disclosure. In 2009 the City of Rapid City spent \$875,496.88 less than the budgeted amount in the General Fund Police. This is due primarily to not being fully staffed and not purchasing as many supplies and equipment as was anticipated. Also in 2009 the City of Rapid City spent \$649,642.77 less than the budgeted amount in the General Capital Outlay. This is also primarily due to not purchasing as much equipment or completing as many projects as was originally anticipated.

### ***Capital Asset and Debt Administration***

**Capital Assets.** The City of Rapid City’s investment in capital assets for its governmental and business type activities as of December 31, 2009 amounts to \$432,170,694.50 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

Major capital asset events during the current fiscal year included the following: reconstruction of fire station #7, which will be completed in 2010; construction of Vicki Powers Park and playground; construction of the Parkview tennis courts; theatre upgrades at the Civic Center; reconstruction of the Airport fire station, which will be completed in 2010; infrastructure improvements; replacement of multiple vehicles and large pieces of equipment.

City of Rapid City's Capital Assets  
(Net of Depreciation)  
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land and land improvements	\$ 39,944	\$ 41,984	\$ 15,340	\$ 15,812	\$ 55,284	\$ 57,796
Buildings	61,665	63,914	105,322	135,668	166,987	199,582
Improvements	193,110	220,994	210,950	233,741	404,060	454,734
Machinery and equipment	24,442	24,681	20,616	22,282	45,058	46,963
Construction in Progress	18,170	7,791	45,008	13,457	63,178	21,248
Total	337,331	359,363	397,236	420,960	734,567	780,323
Less accumulated depreciation	(108,613)	(118,340)	(127,852)	(135,275)	(236,465)	(253,614)
Total capital assets being depreciated	\$ 228,718	\$ 241,024	\$ 269,384	\$ 285,685	\$ 498,102	\$ 526,709

**Long-term debt.**

Government activities:	\$ 72,160,065.57
Business-type activities	<u>72,722,980.41</u>
	\$144,883,045.98

Current portion	\$ 16,081,944.05
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City of Rapid City's Outstanding Debt						
(In Thousands)						
	Governmental		Business-type			
	Activities		Activities		Total	
	2008	2009	2008	2009	2008	2009
Revenue Bonds	\$ 49,802	41,561	\$ 13,033	\$ 56,704	\$ 62,835	\$ 98,265
Unamortized Premium	1,642	1,315	(117)	(725)	1,525	590
Revolving Loan	2,762	2,660	11,401	10,569	14,163	13,229
Landfill Closure	-	-	1,203	1,289	1,203	1,289
Tax Increment Financing	9,018	22,716	-	-	9,018	22,716
Lease/Purchase	801	589	1,000	3,631	1,801	4,220
Other Post Employment Benefits	631	1,158	239	441	870	1,598
Compensated Absences	2,080	2,161	766	814	2,846	2,975
Total	\$ 66,736	\$ 72,160	\$ 27,525	\$ 72,723	\$ 94,261	\$ 144,883

The City of Rapid City maintains an Aaa rating from Moody's on all of its revenue debt.

State statute limits the amount of general obligation debt a South Dakota city may issue to assessed value of taxable property. The current debt limitation for the City of Rapid City is \$1,076,992,344. \$122,914,234 of the City's outstanding debt is counted within the statutory limitation although the debt is wholly or partially financed by revenues other than a general tax levy.

Additional information on the City of Rapid City's long-term debt can be found in Note 4 to the Financial Statements.

**Requests for Information.** This financial report is designed to provide a general overview of the City of Rapid City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Rapid City, Finance Officer, 300 Sixth Street, Rapid City, SD 57701. Component unit financial statements may be obtained by contacting the Museum Alliance of Rapid City, Inc. at 222 New York St., Rapid City SD 57701.

**CITY OF RAPID CITY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 27,295,692.47	\$ 10,767,599.79	\$ 38,063,292.26	\$ 122,741.00
Investments	27,262,572.43	12,776,867.57	40,039,440.00	-
Accounts Receivable, Net	12,911,466.03	6,365,497.37	19,276,963.40	7,964.00
Internal Balances (see Note 5)	(3,240,041.20)	3,240,041.20	-	-
Other Assets	216,052.61	177,677.70	393,730.31	188,550.00
Deferred Charges	437,268.00	487,684.00	924,952.00	-
Restricted Assets:				
Cash with Fiscal Agent	10,636,465.29	48,719,938.48	59,356,403.77	-
Restricted Cash	-	1,289,230.66	1,289,230.66	137,454.00
Capital Assets:				
Land and Construction in Progress (see Note 2)	49,774,738.90	29,268,961.03	79,043,699.93	-
Other Capital Assets, Net of Depreciation (see Note 2)	191,249,064.28	256,416,105.52	447,665,169.80	59,845.00
<b>TOTAL ASSETS</b>	<b>\$ 316,543,278.81</b>	<b>\$ 369,509,603.32</b>	<b>\$ 686,052,882.13</b>	<b>\$ 516,554.00</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 4,846,162.37	\$ 2,591,397.31	\$ 7,437,559.68	\$ 9,517.00
Other Current Liabilities	1,659,500.09	1,439,345.88	3,098,845.97	22,283.00
Noncurrent Liabilities				
Due Within One Year	13,788,339.07	2,293,604.98	16,081,944.05	-
Due in More Than One Year	58,371,726.50	70,429,375.43	128,801,101.93	-
<b>TOTAL LIABILITIES</b>	<b>78,665,728.03</b>	<b>76,753,723.60</b>	<b>155,419,451.63</b>	<b>31,800.00</b>
<b>NET ASSETS:</b>				
Invested in Capital Assets Net of Related Debt	172,182,308.34	259,988,386.16	432,170,694.50	59,845.00
Restricted for:				
Debt Service	10,636,465.29	3,093,948.74	13,730,414.03	-
Cemetery Trust Fund	10,635.45	-	10,635.45	-
Cemetery Trust Fund - Nonexpendable	50,000.00	-	50,000.00	-
Other Purposes - TID Debt Service	3,033,430.11	-	3,033,430.11	-
Other Purposes - Dwntn Business Impr District	1,000,000.00	-	1,000,000.00	-
Other Purposes - Business Impr District	18,335.50	-	18,335.50	-
Other Purposes - RSVP	10,029.80	-	10,029.80	-
Other Purposes - Component Unit	-	-	-	137,454.00
Unrestricted	50,936,346.29	29,673,544.82	80,609,891.11	287,455.00
<b>TOTAL NET ASSETS</b>	<b>237,877,550.78</b>	<b>292,755,879.72</b>	<b>530,633,430.50</b>	<b>484,754.00</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 316,543,278.81</b>	<b>\$ 369,509,603.32</b>	<b>\$ 686,052,882.13</b>	<b>\$ 516,554.00</b>

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



**CITY OF RAPID CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

----- Program Revenues -----					Net (Expense) Revenue and ----- Changes in Net Assets -----			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit	
<b>Functions/Programs</b>								
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General Government	\$ 2,980,364.02	\$ 710,269.52	\$ -	\$ -	\$ (2,270,094.50)	\$ -	\$ (2,270,094.50)	
Public Safety	20,431,619.04	701,097.87	330,826.28	-	(19,399,694.89)	-	(19,399,694.89)	
Public Works	16,768,790.19	1,516,598.35	-	651,984.71	(14,600,207.13)	-	(14,600,207.13)	
Health and Welfare	2,963,045.79	297,824.81	1,027,930.07	1,499,841.00	(137,449.91)	-	(137,449.91)	
Culture, Recreation	9,626,459.14	1,621,920.26	84,120.12	1,000,000.00	(6,920,418.76)	-	(6,920,418.76)	
Conservation and Development	4,685,341.71	1,069,333.68	858,754.88	-	(2,757,253.15)	-	(2,757,253.15)	
Interest on Long Term Debt	3,358,742.24	-	-	-	(3,358,742.24)	-	(3,358,742.24)	
Miscellaneous Expenditures	1,239,051.80	46,257.84	-	-	(1,192,793.96)	-	(1,192,793.96)	
Total Governmental Activities	62,053,413.93	5,963,302.33	2,301,631.35	3,151,825.71	(50,636,654.54)	-	(50,636,654.54)	
<b>Business-Type Activities:</b>								
Water	7,370,575.65	11,846,357.90	-	86,146.10	-	4,561,928.35	4,561,928.35	
Water Reclamation	6,314,008.88	8,989,427.35	-	61,470.60	-	2,736,889.07	2,736,889.07	
Airport	5,212,852.04	4,689,699.44	-	1,380,156.35	-	857,003.75	857,003.75	
Solid Waste Disposal	2,422,425.98	2,574,165.42	-	-	-	151,739.44	151,739.44	
Solid Waste MRF/Compost	2,875,918.26	3,149,582.41	-	673.00	-	274,337.15	274,337.15	
Civic Center	10,113,886.80	5,830,860.31	-	4,080.90	-	(4,278,945.59)	(4,278,945.59)	
Solid Waste Collection	1,685,716.49	2,276,552.59	-	-	-	590,836.10	590,836.10	
Executive Golf Course	228,376.44	139,366.39	-	-	-	(89,010.05)	(89,010.05)	
Cemetery	248,173.71	133,273.29	-	-	-	(114,900.42)	(114,900.42)	
Golf Course	1,020,907.95	992,481.03	-	-	-	(28,426.92)	(28,426.92)	
Parking Lot & Area	577,254.01	664,490.15	-	-	-	87,236.14	87,236.14	
Energy Plant	243,796.84	284,477.68	-	-	-	40,680.84	40,680.84	
Ambulance	2,556,520.54	2,677,049.10	-	-	-	120,528.56	120,528.56	
Transportation Terminal	100,955.70	29,854.42	-	-	-	(71,101.28)	(71,101.28)	
Total Business-type Activities	40,971,369.29	44,277,637.48	-	1,532,526.95	-	4,838,795.14	4,838,795.14	
Total Primary Government	\$ 103,024,783.22	\$ 50,240,939.81	\$ 2,301,631.35	\$ 4,684,352.66	\$ (50,636,654.54)	\$ 4,838,795.14	\$ (45,797,859.40)	
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes				18,260,302.05	-	18,260,302.05	-	
Sales Taxes				42,203,905.60	3,062,280.38	45,266,185.98	-	
Other Taxes				2,371,248.65	243,812.36	2,615,061.01	-	
State Shared Revenue				1,094,883.75	-	1,094,883.75	-	
County Shared Revenue				250,899.79	-	250,899.79	-	
Unrestricted Investment Earnings				1,215,256.19	606,069.41	1,821,325.60	-	
Miscellaneous Revenue				190,687.06	441,477.85	632,164.91	-	
Loss on disposal of Capital Assets				(361,923.75)	(138,011.44)	(499,935.19)	-	
Transfers				(9,904,258.64)	9,904,258.64	-	-	
Total General Revenue and Transfers				55,321,000.70	14,119,887.20	69,440,887.90	-	
Change in Net Assets				4,684,346.16	18,958,682.34	23,643,028.50	(39,659.00)	
Net Assets, Beginning				232,681,834.24	276,947,197.38	509,629,031.62	524,413.00	
<b>Prior Period Adjustments</b>								
Interfund Loan previously recorded as transfer				3,150,000.00	(3,150,000.00)	-	-	
Fixed Asset Adjustment				(4,198,233.58)	-	(4,198,233.58)	-	
2008 Deferred Grant Funds				1,559,603.96	-	1,559,603.96	-	
Net Assets, Ending				\$ 237,877,550.78	\$ 292,755,879.72	\$ 530,633,430.50	\$ 484,754.00	

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

**CITY OF RAPID CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General Fund</b>	<b>2012 Sales Tax Fund</b>	<b>Consolidated Construction Fund</b>	<b>Utility Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>						
101 Cash and Cash Equivalents	\$ 1,685,866.54	\$ 5,813,658.13	\$ 550,942.70	\$ 4,978,511.17	\$ 5,401,943.98	\$ 18,430,922.52
102 Restricted Cash	-	1,000,000.00	-	-	9,851.09	1,009,851.09
106 Cash with Fiscal Agent, Restricted	-	4,733,372.02	3,047,296.55	2,855,796.72	-	10,636,465.29
151 Investments	8,859,395.84	9,771,167.70	5,827,907.25	1,159,345.74	47,693.40	25,665,509.93
110 Property Taxes Receivable--Delinquent	320,784.92	-	-	-	288,427.04	609,211.96
110 Sales Tax Receivable	2,563,378.84	1,281,689.42	1,281,689.42	445,186.26	-	5,571,943.94
115 Accounts Receivable	130,147.32	58,293.66	-	-	67,869.55	256,310.53
116 Estimated Uncollectable Accounts Receivable	-	-	-	-	-	-
121 Special Assessments Receivable--Current	26,595.36	-	-	-	823.34	27,418.70
122 Special Assessments Receivable--Delinquent	59,774.61	-	-	-	22,489.08	82,263.69
123 Special Assessments Receivable--Deferred	220,402.41	-	-	-	13,400.00	233,802.41
128 Notes Receivable	-	-	3,066,923.49	-	-	3,066,923.49
131 Due from Other Funds (see Note 5)	114,915.13	46,012.69	174,331.95	852,968.49	-	1,188,228.26
133 Advance to Other Funds (see Note 5)	1,850,894.41	79,898.87	477,051.83	4,966,031.51	-	7,373,876.62
132 Due from Other Governments (see Note 6)	644,663.10	-	1,559,603.96	-	114,509.12	2,318,776.18
135 Interest Receivable	23,535.16	74,404.65	26,018.54	34,208.51	7,571.25	165,738.11
144 Inventory	216,052.61	-	-	-	-	216,052.61
<b>TOTAL ASSETS</b>	<b>\$ 16,716,406.25</b>	<b>\$ 22,858,497.14</b>	<b>\$ 16,011,765.69</b>	<b>\$ 15,292,048.40</b>	<b>\$ 5,974,577.85</b>	<b>\$ 76,853,295.33</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<i>Liabilities:</i>						
201 Claims Payable	1,439,136.70	186,678.54	684,794.74	-	292,201.78	2,602,811.76
216 Wages Payable	578,183.85	-	-	-	6,777.82	584,961.67
208 Due to Other Funds (see Note 5)	-	-	-	-	1,987,335.94	1,987,335.94
215 Accrued Interest Payable - Arbitrage	-	578,889.44	-	191,714.19	-	770,603.63
209 Advance from Other Funds (see Note 5)	-	-	-	-	8,799,253.48	8,799,253.48
224 Deferred Revenue	633,899.14	58,293.66	1,559,603.96	-	207,230.13	2,459,026.89
<b>Total Liabilities</b>	<b>2,651,219.69</b>	<b>823,861.64</b>	<b>2,244,398.70</b>	<b>191,714.19</b>	<b>11,292,799.15</b>	<b>17,203,993.37</b>
<i>Fund Balances:</i>						
261 Reserved For:						
261.02 Inventories	216,052.61	-	-	-	-	216,052.61
261.03 Advance to Other Funds	1,850,894.41	79,898.87	477,051.83	4,966,031.51	-	7,373,876.62
261.04 Debt Service	-	4,733,372.02	3,047,296.55	2,855,796.72	-	10,636,465.29
261.16 Notes Receivable	-	-	3,066,923.49	-	-	3,066,923.49
261.16 TIDS - Debt Service	-	-	-	-	3,033,430.11	3,033,430.11
261.16 Business Improvement District	-	-	-	-	18,335.50	18,335.50
261.16 Downtown Business Improvement District	-	1,000,000.00	-	-	-	1,000,000.00
261.16 RSVP	-	-	-	-	10,029.80	10,029.80
262 Unreserved Fund Balances:						
262.01 Designated for Next Year's Appropriation	2,219,746.00	677,667.00	748,841.00	2,288,337.00	-	5,934,591.00
262.04 Designated for Capital Replacements:						
Special Revenue Funds			6,427,254.12	4,990,168.98	-	11,417,423.10
262.09 Undesignated	9,778,493.54	15,543,697.61	-	-	-	25,322,191.15
Undesignated, Reported in nonmajor:						
Special Revenue Funds	-	-	-	-	335,653.12	335,653.12
Debt Service Funds	-	-	-	-	(8,776,305.28)	(8,776,305.28)
Permanent Fund	-	-	-	-	60,635.45	60,635.45
<b>Total Fund Balances</b>	<b>14,065,186.56</b>	<b>22,034,635.50</b>	<b>13,767,366.99</b>	<b>15,100,334.21</b>	<b>(5,318,221.30)</b>	<b>59,649,301.96</b>
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b>\$ 16,716,406.25</b>	<b>\$ 22,858,497.14</b>	<b>\$ 16,011,765.69</b>	<b>\$ 15,292,048.40</b>	<b>\$ 5,974,577.85</b>	<b>\$ 76,853,295.33</b>

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

**CITY OF RAPID CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

Total Fund Balances - Governmental Funds	\$ 59,649,301.96
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	241,023,803.18
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Long term liabilities, including bonds payable are not due and payable in the current period and therefore not reported in the funds.	(72,160,065.57)
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Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(300,772.01)
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Debt issuance costs are recorded as expenditures in the funds but are deferred and amortized over the term of the related debt in the statement of net assets.	437,268.00
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Property Taxes (delinquent) and special assessments (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred revenue in the funds.	2,459,026.89
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Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in the governmental activities in the statement of net assets.	6,768,988.33
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Total Net Assets - Governmental Activities	\$ 237,877,550.78
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The notes to the financial statements are an integral part of this statement.

**CITY OF RAPID CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General Fund</b>	<b>2012 Sales Tax Fund</b>	<b>Consolidated Construction Fund</b>	<b>Utility Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
310 Taxes:						
311 General Property Taxes	12,267,611.76	-	-	-	6,191,273.49	18,458,885.25
313 General Sales and Use Taxes	19,414,588.66	9,707,294.32	9,707,294.31	3,374,728.31	-	42,203,905.60
314 Gross Receipts Business Taxes	706,587.48	-	-	-	1,199,731.86	1,906,319.34
320 Licenses and Permits	1,506,133.04	-	-	-	-	1,506,133.04
330 Intergovernmental Revenue:						
331 Federal Grants	2,882,727.44	-	385,382.00	-	498,421.11	3,766,530.55
334 State Grants	34,941.80	-	-	-	-	34,941.80
335 State Shared Revenue:						
335.01 Bank Franchise Tax	110,744.20	-	-	-	-	110,744.20
335.03 Liquor Tax Reversion	362,868.87	-	-	-	-	362,868.87
335.04 Motor Vehicle Licenses (5%)	43,212.05	-	-	-	-	43,212.05
335.06 Fire Insurance Reversion	175,345.63	-	-	-	-	175,345.63
335.08 Local Government Highway and Bridge Fund	402,713.00	-	-	-	-	402,713.00
338 County Shared Revenue:						
338.01 County Road Tax (25%)	250,899.79	-	-	-	-	250,899.79
340 Charges for Goods and Services:						
341 General Government	305,424.78	9,500.00	1,195.98	-	25,006.10	341,126.86
342 Public Safety	627,003.88	-	-	-	190.00	627,193.88
343 Public Works	88,873.40	-	608,155.02	194,395.60	531,990.16	1,423,414.18
345 Health & Welfare	294,574.81	-	-	-	-	294,574.81
346 Culture and Recreation	1,511,744.84	-	-	-	-	1,511,744.84
348 Cemetery	-	-	-	-	2,842.77	2,842.77
349 Conservation & Development	-	-	-	-	46,257.84	46,257.84
350 Fines and Forfeits:						
351 Court Fines and Costs	41,545.03	-	-	-	-	41,545.03
354 Library	-	-	-	-	110,175.42	110,175.42
360 Miscellaneous Revenue:						
361 Interest Earnings	307,965.53	409,730.33	101,290.23	263,325.29	132,944.81	1,215,256.19
362 Rentals	134,564.18	-	-	-	-	134,564.18
363 Special Assessments	99,971.28	-	-	-	36,084.07	136,055.35
367 Contributions and Donations	25,550.00	1,000,000.00	-	-	60,346.73	1,085,896.73
369 Other	56,122.88	-	-	-	-	56,122.88
<b>Total Revenue</b>	<b>41,651,714.33</b>	<b>11,126,524.65</b>	<b>10,803,317.54</b>	<b>3,832,449.20</b>	<b>8,835,264.36</b>	<b>76,249,270.08</b>
<b>Expenditures:</b>						
410 General Government:						
412 Executive-Mayor & Council	540,985.22	-	-	-	-	540,985.22
414 Financial - Community Resources	449,380.39	-	-	-	-	449,380.39
414 Financial - Finance	717,443.76	-	-	-	15,435.66	732,879.42
414 Financial - Attorney	73,307.78	-	-	-	-	73,307.78
419 Other - Government Buildings	845,555.21	-	-	-	-	845,555.21
420 Public Safety:						
421 Police	12,020,289.75	-	-	-	18,997.00	12,039,286.75
422 Fire	7,883,978.93	-	-	-	-	7,883,978.93
429 Other Protection-Corrections	47,606.48	-	-	-	-	47,606.48
429 Other Protection-Code Enforcement	194,537.53	-	-	-	-	194,537.53
429 Other Protection-ACE	17,373.93	-	-	-	-	17,373.93
429 Other Protection-Emergency Mgt	86,451.00	-	-	-	-	86,451.00

**CITY OF RAPID CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General Fund</b>	<b>2012 Sales Tax Fund</b>	<b>Consolidated Construction Fund</b>	<b>Utility Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
430 Public Works:						
431 Highways and Streets	6,138,307.60	-	-	-	-	6,138,307.60
43x Administration	(219,629.76)	261,000.00	1,187,417.00	-	-	1,228,787.24
440 Health and Welfare:						
441 Health	392,582.41	-	-	-	-	392,582.41
444 Humane Society	242,018.00	-	-	-	-	242,018.00
449 Other - Public Transit	1,766,102.86	-	-	-	-	1,766,102.86
449 Other - Air Quality	45,870.52	-	-	-	-	45,870.52
450 Culture and Recreation:						
451 Recreation	375,992.79	1,440.00	-	-	-	377,432.79
451 Swimming Pools	1,567,591.82	-	-	-	-	1,567,591.82
451 Ice Arena	658,123.58	-	-	-	-	658,123.58
452 Parks	2,115,720.31	-	64,375.00	-	-	2,180,095.31
455 Libraries	3,057,587.26	-	-	-	72,031.53	3,129,618.79
457 Historical Preservation	23,738.36	-	-	-	-	23,738.36
459 Other - Parks & Rec Administration	213,196.43	-	-	-	-	213,196.43
459 Other - Retired Senior (RSVP)	-	-	-	-	106,971.64	106,971.64
459 Other - Cemetery	-	-	-	-	392.00	392.00
459 Other - Subsidies	200,000.00	-	-	-	-	200,000.00
460 Conservation and Development:						
465 Economic Development	483,000.00	1,000,000.00	-	-	-	1,483,000.00
465 Community Development	2,219,432.58	-	-	-	420,711.05	2,640,143.63
465 Transportation Planning	548,289.49	-	-	-	-	548,289.49
465 GIS Information System	70,786.60	-	-	-	-	70,786.60
470 Debt Service	245,524.35	6,764,345.65	1,809,887.93	1,861,479.56	4,687,770.66	15,369,008.15
485 Capital Outlay	2,734,089.23	1,603,542.66	8,899,144.58	-	14,696,414.46	27,933,190.93
490 Miscellaneous:						
492 Other Expenditures	-	16,787.64	3,356.09	6,002.50	1,212,905.57	1,239,051.80
Total Expenditures	45,755,234.41	9,647,115.95	11,964,180.60	1,867,482.06	21,231,629.57	90,465,642.59
Excess of Revenue Over (Under)						
Expenditures	(4,103,520.08)	1,479,408.70	(1,160,863.06)	1,964,967.14	(12,396,365.21)	(14,216,372.51)
<b>Other Financing Sources (Uses):</b>						
391.01 Transfers In (see Note 5)	872,946.51	-	-	-	-	872,946.51
511 Transfers Out (see Note 5)	(298,410.95)	(102,796.86)	(752,744.25)	(657,160.00)	(8,966,093.09)	(10,777,205.15)
391.02 Long-term debt issued	-	-	-	-	16,957,530.44	16,957,530.44
391.03 Sale of Municipal Property	53,451.00	-	-	-	-	53,451.00
391.27 Capital Leases	-	-	-	-	-	-
Total Other Financing Sources (Uses)	627,986.56	(102,796.86)	(752,744.25)	(657,160.00)	7,991,437.35	7,106,722.80
Net Change in Fund Balances	(3,475,533.52)	1,376,611.84	(1,913,607.31)	1,307,807.14	(4,404,927.86)	(7,109,649.71)
Fund Balance - Beginning	17,540,720.08	20,658,023.66	15,680,974.30	10,642,527.07	(913,293.44)	63,608,951.67
Prior Period Adjustment	-	-	-	3,150,000.00	-	3,150,000.00
<b>FUND BALANCE- ENDING</b>	<b>14,065,186.56</b>	<b>22,034,635.50</b>	<b>13,767,366.99</b>	<b>15,100,334.21</b>	<b>(5,318,221.30)</b>	<b>59,649,301.96</b>

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

**CITY OF RAPID CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Net change in fund balances - total government funds \$ (7,109,649.71)

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 15,456,188.16

Assets Contributed by Development. 1,462,849.71

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets (net of premium). 12,140,475.35

Debt proceeds, including premiums are a revenue in the governmental funds but the proceeds increase long-term liabilities in the statement of net assets. (16,957,530.44)

Debt issuance costs are deferred in the government-wide statements and amortized over the term of the related debt:  
Amortization of Debt issue costs (105,403.00)

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds. The amount represents the change in accrued interest during the current period. (24,806.44)

In the Statement of Activities, the gains & losses on disposal of capital assets are reported, whereas in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized. (415,374.75)

Other post employment benefit obligations are expenditures in the governmental funds when they are incurred and they are recorded as a liability in the statement of net assets. (527,238.60)

Governmental funds report property taxes and special assessments as revenue when funds become available, but the statement of activities includes the property tax and special assessments as revenue when earned. (708,177.31)

Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits. (79,604.29)

Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds has been prorated to governmental activities and business-type activities based on the proportionate share of wages. 1,552,617.48

Change in Net Assets of Governmental Activities \$ 4,684,346.16

The notes to financial statements are an integral part of this statement.

**CITY OF RAPID CITY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2009**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Airport Fund</b>
<b>ASSETS:</b>			
Current Assets:			
101 Cash and Cash Equivalents	\$ 859,633.40	\$ 2,920,690.42	\$ 2,361,706.58
106 Cash with Fiscal Agent, Restricted	43,546,019.48	-	0.18
107 Restricted Cash (Note 16)	-	-	-
151 Investments	2,112,497.70	3,751,851.98	-
115 Accounts Receivable	501,176.35	691,138.64	724,476.66
116 Estimated Uncollectable Accounts Receivable	(25,986.15)	(30,000.00)	(35,085.02)
117 Unbilled Accounts Receivable	614,739.13	-	-
110 Sales Tax Receivable	-	-	-
131 Due from Other Funds	509,024.14	491,641.14	-
132 Due from Other Government (see Note 6)	-	-	1,110,751.79
135 Interest Receivable	6,613.79	9,272.07	3,564.99
142 Inventory of Stores Purchased for Resale	26,928.69	20,961.33	-
155 Prepaid Expenses	306,543.77	-	-
Total Current Assets	48,457,190.30	7,855,555.58	4,165,415.18
Noncurrent Assets:			
133 Advance to Other Funds	1,690,975.86	606,299.63	-
Capital Assets:			
160 Land	5,769,617.19	703,411.14	1,084,000.31
162 Buildings	11,730,527.41	25,080,300.27	16,416,461.50
164 Improvements Other than Bldg	101,585,284.25	59,387,120.33	55,969,269.97
164 Furniture & Equipment	666,055.50	576,464.24	900,573.72
166 Machinery and Equipment	793,983.68	1,822,401.84	4,433,619.56
168 Construction Work in Progress	4,835,499.50	2,621,638.22	5,380,712.00
Less: Accumulated Depreciation	(37,922,383.00)	(25,717,903.76)	(36,758,217.72)
Total Noncurrent Assets	89,149,560.39	65,079,731.91	47,426,419.34
<b>TOTAL ASSETS</b>	<b>\$ 137,606,750.69</b>	<b>\$ 72,935,287.49</b>	<b>\$ 51,591,834.52</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
202 Accounts Payable	\$ 990,304.14	\$ 338,077.31	\$ 632,343.39
208 Due to Other Funds (see Note 5)	-	60,000.00	-
215 Accrued Interest Payable	275,221.21	100,096.50	9,181.00
220 Customer Deposits	624,443.01	-	-
2xx Wages Payable	69,642.87	55,757.78	137,956.64
226 OPEB Current Obligations	20,975.67	16,142.88	17,424.54
226 Bonds Payable Current:	-	639,374.88	135,000.00
226 Capital Lease Payable Current (see Note 4)	-	-	82,185.38
230 Compensated Absences Payable -- Current	15,000.00	5,000.00	6,500.00
Total Current Liabilities	1,995,586.90	1,214,449.35	1,020,590.95
Noncurrent Liabilities:			
209 Advance from Other Funds (see Note 5)	270,000.00	363,000.00	-
231 OPEB Long-Term Obligations	54,481.48	41,928.94	45,257.88
231 Bonds Payable	44,482,258.25	9,903,201.72	595,000.00
231 Capital Lease Payable	-	-	440,095.77
233 Accrued Leave Payable (see Note 4)	147,028.01	104,753.47	102,129.22
235 Accrued Landfill Closure and Postclosure	-	-	-
Total Noncurrent Liabilities	44,953,767.74	10,412,884.13	1,182,482.87
<b>NET ASSETS:</b>			
253.10 Invested in Capital Assets, Net of Related Debt	87,458,584.53	53,930,855.68	46,174,138.19
253.20 Restricted Net Assets, Restricted for:			
253.22 Revenue Bond Retirement	(0.00)	-	0.18
253.90 Unrestricted Net Assets	3,198,811.52	7,377,098.33	3,214,622.33
Total Net Assets	90,657,396.05	61,307,954.01	49,388,760.70
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 137,606,750.69</b>	<b>\$ 72,935,287.49</b>	<b>\$ 51,591,834.52</b>

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

<i>Enterprise Funds</i>					
Solid Waste MRF/Compost Fund	Civic Center Enterprise Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds	
\$ 1,616,600.70	\$ 163,797.68	\$ 2,845,171.01	\$ 10,767,599.79	\$ 7,854,918.86	
700,782.37	2,149,809.60	2,323,326.85	48,719,938.48	-	
-	-	1,289,230.66	1,289,230.66	-	
2,650,886.22	96,454.26	4,165,177.41	12,776,867.57	1,597,062.50	
393,930.02	155,467.02	6,358,162.97	8,824,351.66	566,945.68	
(10,000.00)	-	(4,434,430.74)	(4,535,501.91)	-	
-	-	-	614,739.13	-	
-	307,129.95	-	307,129.95	-	
-	-	158,098.54	1,158,763.82	-	
-	-	44,026.75	1,154,778.54	-	
5,681.19	4,424.87	13,827.01	43,383.92	12,131.34	
-	86,403.76	-	134,293.78	-	
35,825.91	101,748.51	43,565.81	487,684.00	-	
5,393,706.41	3,065,235.65	12,806,156.27	81,743,259.39	10,031,058.38	
-	-	-	2,297,275.49	-	
542,868.12	1,091,682.05	6,620,227.85	15,811,806.66	-	
12,968,827.18	60,744,254.37	8,727,833.35	135,668,204.08	-	
4,269,154.12	7,470,146.59	5,059,792.45	233,740,767.71	-	
164,697.17	3,477,350.97	2,172,930.81	7,958,072.41	-	
1,005,905.79	276,837.53	5,990,968.03	14,323,716.43	-	
-	-	619,304.65	13,457,154.37	-	
(5,472,337.14)	(20,522,982.55)	(8,880,830.94)	(135,274,655.11)	-	
13,479,115.24	52,537,288.96	20,310,226.20	287,982,342.04	-	
\$ 18,872,821.65	\$ 55,602,524.61	\$ 33,116,382.47	\$ 369,725,601.43	\$ 10,031,058.38	
\$ 90,550.04	\$ 331,471.84	\$ 208,650.59	\$ 2,591,397.31	\$ 2,243,350.61	
-	-	299,656.14	359,656.14	-	
8,016.01	1,390.67	23,714.38	417,619.77	-	
-	-	-	624,443.01	-	
33,968.78	24,786.93	75,170.10	397,283.10	3,162.78	
10,338.06	21,335.23	36,294.53	122,510.91	-	
512,226.51	194,458.58	101,269.24	1,582,329.21	-	
-	69,114.28	398,965.20	550,264.86	-	
5,000.00	-	7,000.00	38,500.00	-	
660,099.40	642,557.53	1,150,720.18	6,684,004.31	2,246,513.39	
-	-	238,898.63	871,898.63	-	
26,851.70	55,415.37	94,270.15	318,205.52	-	
2,526,032.56	5,110,254.49	2,349,332.59	64,966,079.61	-	
-	301,130.51	2,339,038.68	3,080,264.96	-	
22,881.99	170,379.15	228,422.84	775,594.68	-	
-	-	1,289,230.66	1,289,230.66	-	
2,575,766.25	5,637,179.52	6,539,193.55	71,301,274.06	-	
10,440,856.17	46,862,331.10	15,121,620.49	259,988,386.16	-	
700,782.37	2,149,809.60	243,356.59	3,093,948.74	-	
4,495,317.46	310,646.86	10,061,491.66	28,657,988.16	7,784,544.99	
15,636,956.00	49,322,787.56	25,426,468.74	291,740,323.06	7,784,544.99	
\$ 18,872,821.65	\$ 55,602,524.61	\$ 33,116,382.47	\$ 369,725,601.43	\$ 10,031,058.38	



**CITY OF RAPID CITY**  
**RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSETS**  
**TO THE STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Total Net Assets - Enterprise Funds	\$ 291,740,323.06
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Amounts reported for business-type activities in the statement  
of net assets are different because:

Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. Certain amounts reported for business-type activities in the Statement of Net Assets are different because of the Enterprise Funds' participation in the activities conducted in the internal service fund	1,015,556.66
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Total Net Assets - Business-type Activities	<u><u>\$ 292,755,879.72</u></u>
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The notes to the financial statements are an integral part of this statement.

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**CITY OF RAPID CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR YEAR ENDED DECEMBER 31, 2009**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Airport Fund</b>
<b>Operating Revenue:</b>			
380 Charges for Goods and Services	\$ 11,645,457.67	\$ -	\$ 4,689,699.44
381 Revenues used as Security for Revenue Bonds	200,900.23	8,989,427.35	-
Total Operating Revenues	11,846,357.90	8,989,427.35	4,689,699.44
<b>Operating Expenses:</b>			
410 Personal Services	2,182,397.46	1,675,922.57	1,918,604.50
420 Other Current Expense	2,787,508.58	2,665,729.89	1,466,337.31
426.2 Materials (Cost of Goods Sold)	-	-	-
457 Depreciation (see Note 2)	2,264,432.99	1,534,022.41	1,835,579.14
Total Operating Expenses	7,234,339.03	5,875,674.87	5,220,520.95
Operating Income (Loss)	4,612,018.87	3,113,752.48	(530,821.51)
<b>Nonoperating Revenue (Expense):</b>			
361 Investment Earnings	40,957.67	155,975.64	71,666.26
470 Interest Expense and Fiscal Charges	(237,437.89)	(516,218.49)	(76,399.20)
366 Gain (Loss) on Disposition of Capital Assets	5,578.69	(4,566.85)	(15,186.93)
369.01 Other Taxes	-	-	243,812.36
369.01 Sales Tax	-	-	-
369.01 Other	2,401.65	-	-
Total Nonoperating Revenue (Expense)	(188,499.88)	(364,809.70)	223,892.49
Income (Loss) Before Capital Grants and Transfers	4,423,518.99	2,748,942.78	(306,929.02)
330 Capital Grants	-	-	1,379,185.95
391.7 Contributions (to) from Developers/Others	86,146.10	61,470.60	970.40
391.1 Transfers In (see Note 5)	5,743,569.55	3,944,255.11	-
511 Transfers Out (see Note 5)	(277,944.50)	(145,404.00)	-
Net Capital Grants, Contributions and Transfers	5,551,771.15	3,860,321.71	1,380,156.35
Change in Net Assets	9,975,290.14	6,609,264.49	1,073,227.33
Net Assets - Beginning	83,832,105.91	54,698,689.52	48,315,533.37
Prior Period Adjustment	(3,150,000.00)	-	-
<b>NET ASSETS - ENDING</b>	<b>\$ 90,657,396.05</b>	<b>\$ 61,307,954.01</b>	<b>\$ 49,388,760.70</b>

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

*Enterprise Funds*

<b>Solid Waste MRF/Compost Fund</b>	<b>Civic Center Enterprise Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
\$ 3,149,582.41	\$ 5,830,860.31	\$ 9,107,219.92	\$ 34,422,819.75	\$ 7,761,276.30
-	-	664,490.15	9,854,817.73	-
3,149,582.41	5,830,860.31	9,771,710.07	44,277,637.48	7,761,276.30
1,122,640.06	3,828,775.99	4,325,232.06	15,053,572.64	84,992.06
1,124,100.34	3,888,282.43	3,861,572.38	15,793,530.93	5,730,337.19
-	816,210.72	-	816,210.72	-
515,147.89	1,560,056.32	852,282.67	8,561,521.42	-
2,761,888.29	10,093,325.46	9,039,087.11	40,224,835.71	5,815,329.25
387,694.12	(4,262,465.15)	732,622.96	4,052,801.77	1,945,947.05
97,041.62	20,428.70	219,999.52	606,069.41	197,748.36
(163,907.95)	(123,497.34)	(218,402.74)	(1,335,863.61)	-
(3,390.71)	(7,531.77)	(112,913.87)	(138,011.44)	-
-	-	-	243,812.36	-
-	3,062,280.38	-	3,062,280.38	-
370,199.95	-	68,876.25	441,477.85	-
299,942.91	2,951,679.97	(42,440.84)	2,879,764.95	197,748.36
687,637.03	(1,310,785.18)	690,182.12	6,932,566.72	2,143,695.41
-	-	-	1,379,185.95	-
673.00	4,080.90	(1,747.90)	151,593.10	-
765,070.00	159,046.86	734,013.13	11,345,954.65	-
(49,081.00)	(148,325.51)	(820,941.00)	(1,441,696.01)	-
716,662.00	14,802.25	(88,675.77)	11,435,037.69	-
1,404,299.03	(1,295,982.93)	601,506.35	18,367,604.41	2,143,695.41
14,232,656.97	50,618,770.49	24,824,962.39	276,522,718.65	5,640,849.58
-	-	-	(3,150,000.00)	-
\$ 15,636,956.00	\$ 49,322,787.56	\$ 25,426,468.74	\$ 291,740,323.06	\$ 7,784,544.99

**CITY OF RAPID CITY**  
**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF REVENUES**  
**EXPENSES AND CHANGES IN NET ASSETS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Net change in net assets - Enterprise funds	\$ 18,367,604.41
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. Certain amounts reported for business-type activities in the Statement of Activities are different because of Enterprise Funds' participation in the activities conducted in the internal service fund	591,077.93
Change in Net Assets of Business-type Activities	<u>\$ 18,958,682.34</u>

The notes to financial statements are an integral part of this statement.

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**CITY OF RAPID CITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Enterprise Funds				
	Water Fund	Wastewater Fund	Airport Fund	Solid Waste MFR/Compost Fund	Civic Center Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipt from Customers	\$ 11,478,974.00	\$ 9,244,188.38	\$ 4,952,753.28	\$ 2,935,333.25	\$ 5,773,315.18
Receipt from Interfund Services Provided	-	-	-	29,313.44	183,334.66
Payments to Suppliers	(3,339,667.93)	(2,664,862.42)	(1,624,370.53)	(1,085,819.01)	(4,933,669.67)
Payments to Employees	(2,126,013.54)	(1,635,198.87)	(1,799,469.67)	(1,104,669.18)	(3,894,327.84)
Internal Activity - Payment to Other Funds	(2,200,000.00)	(1,157,940.77)	-	-	(480,543.00)
Net Cash Provided (Used) by Operating Activities	3,813,292.53	3,786,186.32	1,528,913.08	774,158.50	(3,351,890.67)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Airport Property Tax and Gross Receipts Tax (Civic Center)	-	-	243,812.36	-	3,071,702.53
Transfers In	182.43	690,493.90	-	765,070.00	56,250.00
Transfer Out	(277,944.50)	(145,404.00)	-	(49,081.00)	(148,325.51)
Net Cash Provided (Used) by Operating Subsidies and Transfers	(277,762.07)	545,089.90	243,812.36	715,989.00	2,979,627.02
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from Capital Debt	45,100,000.00	-	-	-	385,170.00
Capital Grants	-	-	1,645,622.20	-	-
Purchase of Capital Assets	(7,383,121.47)	(3,100,631.04)	(2,972,929.34)	(71,265.33)	(2,636,013.60)
Principal Paid on Capital Debt	(555,521.25)	(727,057.08)	(203,459.20)	(484,926.51)	(240,608.89)
Interest Paid on Capital Debt	(580,018.70)	(523,189.63)	(76,308.85)	(165,188.91)	(132,037.45)
Proceeds from Sale of Assets	-	525.00	1,212.10	-	-
Other Receipts (Payments)	2,401.65	-	-	370,199.95	-
Net Cash (Used) by capital and related financing Activities	36,583,740.23	(4,350,352.75)	(1,605,863.09)	(351,180.80)	(2,623,489.94)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Earnings	(24,535.09)	317,482.37	71,905.63	168,373.28	84,723.13
Deposit to Investments	-	(1,500,000.00)	-	(500,000.00)	-
Withdrawal from Investments	1,500,000.00	-	-	-	500,000.00
Net Cash Provided (Used) by Investing Activities	1,475,464.91	(1,182,517.63)	71,905.63	(331,626.72)	584,723.13
Net Increase (Decrease) in Cash and Cash Equivalents	41,594,735.60	(1,201,594.16)	238,767.98	807,339.98	(2,411,030.46)
Balances - Beginning	2,810,917.28	4,122,284.58	2,122,938.78	1,510,043.09	4,724,637.74
Balances- Ending	\$ 44,405,652.88	\$ 2,920,690.42	\$ 2,361,706.76	\$ 2,317,383.07	\$ 2,313,607.28
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ 4,612,018.87	\$ 3,113,752.48	\$ (530,821.51)	\$ 387,694.12	\$ (4,262,465.15)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	2,264,432.99	1,534,022.41	1,835,579.14	515,147.89	1,560,056.32
Landfill Closure & Postclosure Costs	-	-	-	-	-
Change in Assets and Liabilities:					
Receivables	(367,383.90)	254,761.03	263,053.84	(214,249.16)	(57,545.13)
Inventories	10,543.86	(3,261.95)	-	-	30,408.28
Prepaid Expenses	(306,543.77)	-	-	5,970.98	5,355.19
Customer Deposits	30,560.35	-	-	-	-
Due to/from Other Funds	(2,200,000.00)	(1,157,940.77)	-	29,313.44	(297,208.34)
Accounts and Other Payables	(286,719.79)	4,129.42	(158,033.22)	32,310.35	(264,939.99)
Accrued Wages Payable	7,318.18	9,358.46	89,819.08	5,267.70	(117,346.58)
Accrued Other Post Employment Benefits	34,623.25	26,037.22	29,498.44	16,695.59	38,980.37
Accrued Leave Payable	14,442.49	5,328.02	(182.69)	(3,992.41)	12,814.36
Net Cash Provided (Used) by Operating Activities	\$ 3,813,292.53	\$ 3,786,186.32	\$ 1,528,913.08	\$ 774,158.50	\$ (3,351,890.67)
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ 5,578.69	\$ (5,091.85)	\$ (1,209.03)	\$ (18,580.71)	\$ (7,531.77)
Transfer/Contribution of Assets	\$ 5,829,533.22	\$ 3,315,231.81	\$ 970.40	\$ 673.00	\$ 106,877.76
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>					
101 Cash and Cash Equivalents	\$ 859,633.40	\$ 2,920,690.42	\$ 2,361,706.58	\$ 1,616,600.70	\$ 163,797.68
106 Cash with Fiscal Agent, Restricted	43,546,019.48	-	0.18	700,782.37	2,149,809.60
107 Restricted Cash (Note 16)	-	-	-	-	-
	\$ 44,405,652.88	\$ 2,920,690.42	\$ 2,361,706.76	\$ 2,317,383.07	\$ 2,313,607.28

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

Nonmajor Proprietary Funds		Totals	Internal Service Funds
\$ 10,266,710.25	\$ 44,651,274.34	\$ -	
3,492.10	216,140.20	7,712,505.86	
(4,027,407.45)	(17,675,797.01)	(6,207,358.16)	
(4,264,184.31)	(14,823,863.41)	-	
(2,464,060.41)	(6,302,544.18)	-	
(485,449.82)	6,065,209.94	1,505,147.70	
-	3,315,514.89	-	
205,352.53	1,717,348.86	-	
(820,941.00)	(1,441,696.01)	-	
(615,588.47)	3,591,167.74	-	
2,618,846.00	48,104,016.00	-	
-	1,645,622.20	-	
(2,208,610.17)	(18,372,570.95)	-	
(413,122.68)	(2,624,695.61)	-	
(209,158.87)	(1,685,902.41)	-	
-	1,737.10	-	
68,876.25	441,477.85	-	
(143,169.47)	27,509,684.18	-	
196,600.12	814,549.44	219,398.91	
(500,000.00)	(2,500,000.00)	-	
500,000.00	2,500,000.00	-	
196,600.12	814,549.44	219,398.91	
(1,047,607.64)	37,980,611.30	1,724,546.61	
7,505,336.16	22,796,157.63	6,130,372.25	
\$ 6,457,728.52	\$ 60,776,768.93	\$ 7,854,918.86	
\$ 732,622.96	\$ 4,052,801.77	\$ 1,945,947.05	
852,282.67	8,561,521.42	-	
86,133.36	86,133.36	-	
495,000.18	373,636.86	(48,770.44)	
-	37,690.19	-	
2,292.94	(292,924.66)	-	
-	30,560.35	-	
(2,460,568.31)	(6,086,403.98)	-	
(254,261.37)	(927,514.60)	(392,478.37)	
(14,468.40)	(20,051.56)	449.46	
55,891.38	201,726.25	-	
19,624.77	48,034.54	-	
\$ (485,449.82)	\$ 6,065,209.94	\$ 1,505,147.70	
\$ (112,913.87)	\$ (139,748.54)	\$ -	
\$ 526,912.70	\$ 9,780,198.89	\$ -	
\$ 2,845,171.01	\$ 10,767,599.79	\$ 7,854,918.86	
2,323,326.85	48,719,938.48	-	
1,289,230.66	1,289,230.66	-	
\$ 6,457,728.52	\$ 60,776,768.93	\$ 7,854,918.86	



**CITY OF RAPID CITY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009**

	<b>Agency Funds</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 969,441.84
Investments	332,701.25
<b>TOTAL ASSETS</b>	<b><u>\$ 1,302,143.09</u></b>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 97,260.08
Due to Other Organizations	1,204,883.01
<b>Total Liabilities</b>	<b><u>\$ 1,302,143.09</u></b>

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

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Rapid City (the City) has a Mayor-Council form of government. The voters of Rapid City at large elect the Mayor for two years on a full-time basis. The City is divided into five wards. Voters of each ward elect two City Council members for two years on a part-time basis. Executive power is vested in the Mayor; legislative power is vested in the Council. The Mayor has veto power, which the Council may supersede by a vote of seven members.

The funds included in this report are controlled by or dependent upon the City's governing board. The accounting policies of the City conform to accounting principles generally accepted in the United States of America, as applicable to governments.

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Rapid City
Discretely Presented Component Units:	Museum Alliance of Rapid City

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and includes the component unit of which the City appointed a voting majority of the unit's board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

*Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Accordingly, it is presented in a separate, discrete column in the financial statements.

The Museum Alliance of Rapid City, Inc. (MARC), a separate non-profit corporation, was formed as a special agent of the City for the design and construction of a new museum, and to operate and maintain the museum upon completion of the construction. The MARC is reported as a component unit on the City's Statement of Net Assets and Statement of Activities. A complete financial statement can be obtained at the MARC Administrative Office, located at 222 New York St., Rapid City SD 57701.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

*Government-Wide Financial Statements:*

The Statement of Net Assets and the Statement of Activities display information about the primary government. They include all funds of the reporting entity except for fiduciary funds (agency funds). Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities and discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities rely to a significant extent on fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

*Fund Financial Statements:*

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds*

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

*Debt Service Funds*

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs in relation to the various tax increment districts that have been established.

*Permanent Fund*

The Cemetery Perpetual Care Fund accounts for assets held by the City pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

**Proprietary Funds**

*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 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.

*Internal Service Funds*

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The City maintains five internal service funds: Medical Insurance, Liability Insurance, Unemployment Insurance, Dental Insurance and Workers' Compensation Insurance. These funds are utilized to account for the corresponding insurances.

**Fiduciary Funds (Not included in government-wide statements)**

*Agency Funds*

Agency funds account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

<u>Fund</u>	<u>Brief Description</u>
Payroll Withholding Fund	To account for amounts withheld from payroll for various purposes including pension withholdings, savings bond purchases and insurance.
Section 125 Fund	To account for pre-tax withholdings from employees, directed for medical or childcare.
Deposits held for Others	To account for deposits held for various individuals and organizations.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

**Major Funds:**

The City reports the following major governmental funds:

<u>Fund</u>	<u>Brief Description</u>
General	The General Fund is used to account for all activities except those legally or administratively required to be accounted for in other funds.
<i>Special Revenue Funds:</i>	
2012 Sales Tax Fund	Established by Rapid City Municipal Ordinance Chapter 3.16.060 to account for sales tax revenues received to finance debt service and capital construction relating to Economic Development (25%), Civic Improvements (25%) and Municipal Infrastructure (50%).
Consolidated Construction Fund	Established by Rapid City Municipal Ordinance Chapter 3.16.060 to account for sales tax revenues received to finance debt service and capital construction related to the City's long-term infrastructure plans.
Utility Facilities Fund	Established by Rapid City Municipal Ordinance Chapter 3.16.060 to account for sales tax revenue received to finance debt service and capital construction related to the City's long-term water and sewer plans.

The City reports the following major enterprise funds:

Water Fund	Financed primarily by user charges, this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1)
Wastewater Fund	Financed primarily by user charges, this fund accounts for the construction and operation of the municipal sewer system and related facilities. (SDCL 9-48-2)
Airport Fund	Financed primarily by user charges and grants, this fund accounts for revenues and expenditures of the municipal airport and current grant activities.
Solid Waste MRF/Compost Fund	Financed primarily by user charges, this fund accounts for the construction and operation of the municipal recycling and composting.
Civic Center	Financed primarily by user fees and third penny sales tax (SDCL 10-52), this fund accounts for the operation of the municipal civic center.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “how” transactions are recorded within the various statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

1. The government-wide Statement of Net Assets and Statement of Activities, as well as the proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of when the related cash flow takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

2. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers significant revenues in the governmental funds to be available if the revenues are collected within 60 days of year-end.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest and compensated absences which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other funding sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants where applicable, then by general revenues.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (Continued)

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

In the fund financial statements, the proprietary and fiduciary financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The City follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing accounting principals generally accepted in the United States of America, for governmental entities. For the government-wide and proprietary fund statements, the City follows all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless those pronouncements conflict with GASB pronouncements.

C. ASSETS, LIABILITIES AND EQUITY

**DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK**

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

**Deposits** - The City’s deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank’s public debt rating which may not be less than “AA” or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

**Investments** – In general, SDCL 4-5-6 permits municipalities’ funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Investments are reported at fair value. Accordingly, changes in the market value of investments at year end are reflected as a component of earnings on investments.

**Cash and Cash Equivalents** - For the purpose of the proprietary funds’ Statements of Cash Flows, the City considers all highly liquid investments and deposits, including restricted assets, with a term to maturity of three months or less at the date of acquisition, to be cash equivalents.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

**Cash and Cash Equivalents, continued** - For the purpose of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts and cash management pools of the City. For the purposes of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" includes all demand and savings accounts and cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. All restricted investments are excluded. All components of investment income are included in interest income, including gains and losses.

**Cash with Fiscal Agent** – As of December 31, 2009, the City of Rapid City had the following in the cash with fiscal agent accounts:

Investment	Credit	Total	Less than 1 Year	1-5 Years	5-10 Years
Money Market	N/A	46,584,561.67	46,584,561.67		
Certificates of Deposit	N/A	6,075,700.00	3,221,900.00	2,853,800.00	
US Treasury Note	AAA	3,177,869.40	3,177,869.40		
<b>US Government Sponsored Enterprises:</b>					
FHLMC Notes	AAA	3,518,272.70		497,912.30	3,020,360.40
<b>Total</b>		<b>59,356,403.77</b>	<b>52,984,331.07</b>	<b>3,351,712.30</b>	<b>3,020,360.40</b>

**Cash Investments** - As of December 31, 2009, the City of Rapid City had the following investments:

Investment	Credit	Total	Less than 1 Year	1-5 Years	5-10 Years	10 Years or More
US Treasury Bonds	N/A	221,273.66				221,273.66
US Treasury Notes	N/A	7,317,977.31	30,308.55	3,394,866.77	1,707,434.06	2,185,367.93
Bank of America Corp Notes	AAA	440,385.00		440,385.00		
Wells Fargo & Co. Corp Note	AAA	755,002.50			755,002.50	
Tennessee Valley Authority	AAA	99,501.00				99,501.00
GE Capital Corp Note	AAA	905,330.70		905,330.70		
<b>US Federal Agency Obligations:</b>						
GNMA (Ginnie Mae) Pool	AAA	196,820.75				196,820.75
USDA	AAA	694,901.38				694,901.38
<b>US Government Sponsored Enterprises:</b>						
FNMA (Fannie Mae) Pool	AAA	11,779,709.68		1,272,262.50	2,636,631.15	7,870,816.03
FNMA Debenture	AAA	325,689.00				325,689.00
FNMA Notes	AAA	4,553,311.81		1,505,683.20	2,311,525.36	736,103.25
FNMA Bond	AAA	536,780.00			536,780.00	
FNMA CMO	AAA	429,118.08			374,902.54	54,215.54
FHLMC (Freddie Mac) Pool	AAA	6,017,860.25		1,053,509.98	620,733.46	4,343,616.81
FHLMC Debentures	AAA	1,233,896.10				1,233,896.10
FHLMC Notes	AAA	3,641,133.06		482,272.25	2,060,399.56	1,098,461.25
FHLMC Remics	AAA	126,064.96				126,064.96
FHLB Bonds	AAA	1,097,386.00		199,287.99	898,098.01	
<b>Total</b>		<b>40,372,141.24</b>	<b>30,308.55</b>	<b>9,253,598.39</b>	<b>11,901,506.64</b>	<b>19,186,727.66</b>

**Presented in the:**

Statement of Net Assets	40,039,440.00
Statement of Fiduciary Net Assets	332,701.25
	<u>40,372,141.25</u>

Although investments in Bank of America corporate notes, Wells Fargo & Co. corporate notes and GE Capital corporate notes are not specifically authorized by statute, they are indirectly guaranteed by the United States Government under FDIC coverage for the full amount.



CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES AND EQUITY (Continued)

All investments with original maturities greater than 18 months at the time of purchase are redeemable at the City's option, assuming the investments are marketable.

**Interest Rate Risk** – Pursuant to the City's investment policy, portfolio duration must always remain within 1 to 5 years with individual securities required to have a maturity between 30 day Treasury Bills and final maturity of 30 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – State law limits eligible investments for the City, as discussed above. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** – The City limits the maximum holding per issue to 10%.

**Custodial Credit Risk - Investments** – The City's investment policy does not restrict the maximum holding per custodial account. All investments are held in the City's name with Merrill Lynch (\$2,021,578.88), RBC Dain Rauscher (\$25,450,334.68), Edward Jones (\$9,611,109.35), Wachovia (\$3,225,430.25) and MidFirst Bank (\$63,688.09) serving as custodians.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment.

**Interfund Eliminations and Reclassifications**

In the process of aggregating data for the government-wide financial statements, some of the amounts reported as interfund activities have been eliminated or reclassified as follows:

- a. In order to minimize the grossing-up effect on assets and liabilities within the government and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as internal balances.
- b. In order to minimize the doubling-up effect on the internal services fund activity, certain "centralized expenses" including administrative overhead component, are charged as direct expenses to the funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged in this manner, expense reduction occurs in the General Fund, so that expenses are only reported in the function to which they relate.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES, AND EQUITY, (Continued)

**Fund Financial Statements**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds” and are equally offset by a fund balance reserve account, which indicates they are not a component of current assets, and do not constitute “available spendable resources.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 5 for details of interfund transactions, including receivables and payables at year-end.

**Receivables**

Receivables are not aggregated in these financial statements. The City expects all receivables to be collected within one year; except for the Infrastructure Development Partnership Fund Receivables. Appropriate allowances for estimated uncollectible accounts have been established based on the City’s knowledge of current environmental conditions and historical losses.

Business-Type Activities: Business Type Activities receivables are comprised of amounts owed to the City by City residents for services rendered such as water and sewer and interest income receivable.

Governmental Activities: Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the City’s taxes and remits them to the City.

The City is permitted by state statute to levy the following amounts of taxes per \$1,000 of taxable valuation of the property in the City:

General Fund	\$27
Bond Redemption Funds	Amounts Required by Bond Agreements
Judgment Fund (Upon Judgment Being Made)	\$10

State statute allows the tax rates to be raised by special election of the voters.

**Restricted Assets**

Certain assets are classified as restricted on the Statement of Net Assets. These restrictions include those imposed by debt indenture covenants, tax increment financing district developer agreements, federal grant agreements, State law regarding use of cemetery perpetual care funds and landfill closure/post closure funds.

**Capital Assets**

The City’s policy is to capitalize furniture, equipment and machinery with an initial cost greater than \$5,000 and a life expectancy exceeding one year and buildings and improvements with an initial cost greater than \$15,000.

Capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets, including roads and bridges are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES, AND EQUITY, (Continued)

The accounting treatment for property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-Wide Statements*

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets that are recorded at their estimated fair value at the date of donation and capital assets donated by developers, which are recorded at estimated cost. Historical cost was used to value the majority of the assets.

Infrastructure assets used in general government operations acquired prior to January 1, 1980, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 1980 have been valued at historical cost and are classified as Improvements.

For governmental activities, capital asset interest costs incurred during construction of capital assets are not capitalized along with other capital asset costs in accordance with generally accepted accounting principles in the United States. For business-type activities, capital asset interest costs incurred during construction of capital assets are capitalized along with other capital assets costs in accordance with generally accepted accounting principles in the United States.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with the net capital assets reflected in the Statement of Net Assets. Accumulated depreciation is reported on the government-wide Statement of Net Assets and on each proprietary fund's Statement of Net Assets/Balance Sheet. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset and the capitalization threshold is as follows:

Buildings	25-50 years	\$ 15,000
Improvements	10-50 years	\$ 15,000
Machinery and Equipment	3-20 years	\$ 5,000
Utility System	25-50 years	\$ 15,000
Infrastructure	25-50 years	\$ 15,000

Land is an inexhaustible asset and is not depreciated.

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Fixed assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

**Inventories**

Inventories in all funds are stated at cost, using the first-in, first-out method. Inventories consist of sand, salt and chemicals for snow removal, service connection repair materials and concession items. Inventories are recorded as expenditures when consumed, rather than when purchased.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation time and estimated retirement severance are accrued when incurred in government-wide and proprietary fund financial statements and recorded as an expenditure in the governmental fund statements when the employees use the benefits.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES, AND EQUITY, (Continued)

**Long-Term Liabilities**

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of bonds payable, other post employment benefits liability and compensated absences.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is on the accrual basis, the same in the fund statements as it is in the government-wide statements.

**Equity Classifications**

*Government-Wide Statements*

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When restricted and unrestricted resources are available for use, it is the City’s policy to use restricted assets first, and then unrestricted assets as they are needed.

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**Program Revenue**

Program revenues derive directly from the program itself or from parties other than the City’s taxpayers or citizenry, as a whole. Program revenues are classified into three categories as follows:

- a. Charges for services – These arise from charges to customers, applicants or others who purchase, use or directly benefit from the goods, services or privileges provided or are otherwise directly affected by the services.
- b. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
- c. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations or individuals that are restricted for the acquisition of capital assets for use in a particular program.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. ASSETS, LIABILITIES, AND EQUITY, (Continued)

**Deferred Revenue**

The Governmental Fund financial statements are presented under the modified accrual basis of accounting; therefore, receivables may be measurable but not available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues, which include property tax and special assessment revenue, are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

**Proprietary Funds Revenue and Expense Classification**

In the proprietary funds Statement of Revenues, Expenditures and Changes in Fund Net Assets, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

NOTE 2. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 39,943,874.00	\$ 2,039,938.38		\$ 41,983,812.38
Construction in Progress	18,170,186.09	11,785,628.72	(22,164,888.29)	7,790,926.52
Total capital assets not being depreciated	58,114,060.09	13,825,567.10	(22,164,888.29)	49,774,738.90
Capital Assets being depreciated:				
Buildings	56,420,381.90	7,555,844.25	(62,500.00)	63,913,726.15
Improvements	193,110,410.18	27,883,093.81		220,993,503.99
Machinery and Equipment	24,441,844.35	2,281,495.84	(2,041,923.53)	24,681,416.66
Total capital assets being depreciated	273,972,636.43	37,720,433.90	(2,104,423.53)	309,588,646.80
Less accumulated depreciation for:				
Buildings	(10,119,039.00)	(1,106,902.08)	43,312.50	(11,182,628.58)
Improvements	(82,146,203.95)	(9,315,915.23)		(91,462,119.18)
Machinery and Equipment	(15,301,313.51)	(2,039,257.53)	1,645,736.28	(15,694,834.76)
Total accumulated depreciation	(107,566,556.46)	(12,462,074.84)	1,689,048.78	(118,339,582.52)
Total capital assets being depreciated, net	166,406,079.97	25,258,359.06	(415,374.75)	191,249,064.28
Governmental activities capital assets, net	<u>\$224,520,140.06</u>	<u>\$39,083,926.16</u>	<u>\$(22,580,263.04)</u>	<u>\$241,023,803.18</u>

Depreciation expense was charged to functions within governmental funds as follows:

Total General Government	\$ 419,514.68
Total Public Safety	666,200.30
Total Health and Welfare	529,274.99
Total Public Works	9,500,904.36
Total Culture and Recreation	1,315,275.68
Total Community /Economic Development	30,904.83
<b>Total Governmental depreciation expense</b>	<b><u>\$12,462,074.84</u></b>

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. CHANGES IN CAPITAL ASSETS (continued)

Capital asset activity in business-type funds for the fiscal year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 15,339,626.66	\$ 478,957.35	\$ (6,777.35)	\$ 15,811,806.66
Construction in Progress	45,008,324.71	19,035,238.05	(50,586,408.39)	13,457,154.37
Total capital assets not being depreciated	60,347,951.37	19,514,195.40	(50,593,185.74)	29,268,961.03
Capital Assets being depreciated:				
Buildings	105,321,747.04	30,346,457.04	-	135,668,204.08
Improvements	210,950,007.00	22,790,760.71	-	233,740,767.71
Machinery and Equipment	20,616,138.11	3,016,091.11	(1,350,440.38)	22,281,788.84
Total capital assets being depreciated	336,887,892.15	56,153,308.86	(1,350,440.38)	391,690,760.63
Less accumulated depreciation for:				
Buildings	(35,725,479.81)	(2,381,200.02)	-	(38,106,679.83)
Improvements	(79,775,636.59)	(4,845,463.12)	-	(84,621,099.71)
Machinery and Equipment	(12,351,160.45)	(1,334,858.28)	1,139,143.16	(12,546,875.57)
Total accumulated depreciation	(127,852,276.85)	(8,561,521.42)	1,139,143.16	(135,274,655.11)
Total capital assets being depreciated, net	209,035,615.30	47,591,787.44	(211,297.22)	256,416,105.52
Business-type activities capital assets, net	<u>\$269,383,566.67</u>	<u>\$67,105,982.84</u>	<u>\$(50,804,482.96)</u>	<u>\$285,685,066.55</u>

Depreciation expense was charged to business-type funds as follows:

Total Water Enterprise	\$ 2,264,432.99
Total Wastewater Enterprise	1,534,022.41
Total Airport Enterprise	1,835,579.14
Total Solid Waste Disposal Enterprise	284,931.45
Total Solid Waste/MRF Enterprise	515,147.89
Total Civic Center Enterprise	1,560,056.32
Total Solid Waste Collection Enterprise	227,131.16
Total Executive Golf Enterprise	18,382.21
Total Cemetery Enterprise	33,572.91
Total Golf Course Enterprise	74,105.75
Total Parking Lot Area Enterprise	56,327.65
Total Ambulance Enterprise	121,749.68
Total Energy Plant Enterprise	19,567.97
Total Transportation Terminal Enterprise	16,513.89
Total Enterprise depreciation expense	<u>\$ 8,561,521.42</u>

In 2009, \$232,714.93 of interest was capitalized for business-type activities.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3. CONSTRUCTION COMMITMENTS

Construction commitments in the amount of approximately \$12.3 million as of December 31, 2009 were as follows:

<u>Governmental Activities</u>	<u>Project Number</u>	<u>Project Description</u>	<u>Total Costs</u>		<u>Remaining</u>
			<u>As of 12/31/2009</u>	<u>Total Contract</u>	
	GB09-1828	CSAC Roof Replacement	53,811.41	360,000.00	306,188.59
		CSAC Council Chamber Upgrade	266,815.20	401,500.00	134,684.80
	IDP07-1637	PETT Building Phase 3	120,728.51	150,000.00	29,271.49
	FD09-1767	Fire Station #7	409,087.57	1,428,510.67	1,019,423.10
		Meadowbrook Bridge	5,800.00	47,457.45	41,657.45
		Skyline Wilderness Trails	20,000.00	38,000.00	18,000.00
	PR08-6002	Vickie Powers Park	929,479.47	950,000.00	20,520.53
	PR08-6011	RC Parks Restrooms	6,950.00	300,000.00	293,050.00
	PR09-6019	RC Parks Restrooms	25,239.63	368,619.00	343,379.37
	DR04-1390	Knollwood Drainage	662,426.94	1,930,000.00	1,267,573.06
	DR03-1268	Promise Road	122,872.80	253,000.00	130,127.20
	ST07-1604	St Andrew Reconstruction	855,654.89	860,488.66	4,833.77
	ST05-1435	44th Reconstruction	1,490,782.26	1,508,371.46	17,589.20
	DR05-1452	Dover Dr	76,585.43	291,585.00	214,999.57
	ST05-1470	Eglin	10,504.95	1,300,000.00	1,289,495.05
	ST08-1764	5th St Pedestrian Crossing	103,078.40	146,084.92	43,006.52
	ST09-1816	PCC Pavement Repair - Tamarack	10,361.96	275,000.00	264,638.04
	ST09-1809	Maple Dr & E Idaho Reconstruction	353,858.09	411,195.42	57,337.33
<b>Total Governmental Activities</b>			<b>5,524,037.51</b>	<b>11,019,812.58</b>	<b>5,495,775.07</b>
<u>Business-Type Activities</u>					
		Rushmore Crossing	1,691,167.90	1,806,000.00	114,832.10
	SS03-1662	Adams St Sewer Impr	24,798.80	36,002.91	11,204.11
	SS06-1635	Catron	38,862.73	552,472.67	513,609.94
	DR05-1452	Dover Dr	21,485.00	156,485.00	135,000.00
	ST09-1809	Maple Dr & E Idaho Reconstruction	201,665.09	202,201.53	536.44
	SS07-1664	Elk Vale Lift Station	9,972.00	880,000.00	870,028.00
	ST07-1604	St Andrew St Recon	471,716.97	1,303,504.66	831,787.69
	ST08-1708	Meadowbrook Dr Reconstruction	253,369.50	258,334.92	4,965.42
	W08-1744	Wisconsin Ave Water Main	447,038.36	498,837.73	51,799.37
		Electrical Vault	892,456.53	1,073,564.15	181,107.62
		AARF Station	1,092,274.50	4,713,000.00	3,620,725.50
		Landscaping - Main Terminal, Road	191,794.75	208,099.99	16,305.24
		Clubhouse Remodel	24,083.65	38,017.26	13,933.61
		Milo Barber Remodel	530,160.60	965,059.30	434,898.70
<b>Total Business-Type Activities</b>			<b>5,890,846.38</b>	<b>12,691,580.12</b>	<b>6,800,733.74</b>
<b>Grand Total</b>			<b>11,414,883.89</b>	<b>23,711,392.70</b>	<b>12,296,508.81</b>

Funding for these projects is provided from dedicated sales tax funds (2012 Fund and Consolidated Construction funds), grants and charges for services. There are many projects that are included in Construction in Process line item in Note 2 but are not included in this note because they have either been substantially completed but not put into service or they are only in the design stage with no commitment for further construction. The City is in the design phase of a new water treatment plant at Jackson Springs, which will take approximately 18 months for construction. The total estimated cost for this project is \$45 million and construction will begin with the transmission line in 2010.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Governmental Activities:**

As of December 31, 2009, the governmental long-term debt of the financial reporting entity consisted of the following:

\$12,695,000 Sales Tax Refunding Revenue Bonds, Series 2002. Due in annual installments of \$1,000,000 to \$1,585,000 through June 2012. Interest at 5.5 percent. (This issue is being serviced by the Consolidated Construction Special Revenue Fund.) Interest paid in 2009 was \$285,862.50. \$4,520,000.00

Portion of Sales Tax Revenue Refunding Bonds, Series 2008 serviced by the Consolidated Construction Special Revenue Fund (22 percent). Interest paid in 2009 was \$28,326.10. See long-term debt schedule for business-type activities for a full description of this bond issue. 881,100.00

\$16,270,000 Sales Tax Revenue Bonds, Series 2005. Due in semi-annual installments of \$290,000 to \$915,000 through June 2016. Interest at 2.65 to 4.75 percent. (This issue is being serviced by the Utility Facilities Fund.) Interest paid in 2009 was \$446,480. 10,595,000.00

\$29,190,000 Sales Tax Revenue Bonds, Series 2005b. Due in eleven semi-annual installments of \$1,235,000 to \$3,090,000 through December 2012. Interest at 4.0 to 5.0 percent. (This issue is being serviced by the 2012 Sales Tax Special Revenue Fund.) Interest paid in 2009 was \$1,006,400. 17,510,000.00

\$8,055,000 Sales Tax Revenue Bonds, Series 2007. Interest only payments are due in years 2007-2012. Semi-annual principal installments of \$1,945,000 to \$2,085,000 due June 2013 through December 2014. Interest at 4.5 to 5.0 percent. (This issue is being serviced by the 2012 Sales Tax Special Revenue Fund.) Interest paid in 2008 was \$383,075. 8,055,000.00

\$3,500,000 Loan #1 from Drinking Water State Revolving Fund (83.33% is federal loan). Due in quarterly installments of \$4,200 to \$49,000 beginning July 2008 through January 2028. Interest at 3.5 percent. (This issue is being serviced by property tax revenues received on TID 43). Only partial draw of this loan was taken at 12/31/2009. Interest paid in 2009 was \$95,351.96. 2,660,006.38

	44,221,106.38
Unamortized deferred premium	1,314,816.00
	45,535,922.38

**Compensated Absences:**

Accrued Leave Payable General Fund	2,142,116.99
Accrued Leave Payable Other Government Funds	18,799.30
	2,160,916.29



CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

Financing (Capital Acquisition) Leases

\$727,295.01 under an agreement with Wells Fargo Brokerage Services, LLC, dated June 10, 2008 for the purchase of an aerial fire truck, which is security for the Lease. Due in semi-annual installments of \$60,775.84, including interest of 4.33 percent. The final payment is due June 10, 2015. The lease is serviced by the General Fund (Fire Department). Interest paid in 2009 is \$28,546.08.

Total Leases

589,259.49

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589,259.49

Tax Increment Financing District (TID) Liabilities

Tax increment financing is a method of financing improvements and development in an area which has been determined to be blighted according to the criteria set forth in SDCL 11-9. In some instances the City pledges future tax revenues generated by the tax increment district to acquire public improvements within the established Tax Increment District which were constructed by a private developer.

The City follows GASB 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues, in accounting for tax increment financing districts in which the City has pledged all or some portion of future tax revenues to acquire public improvements within the established Tax Increment District which were constructed by a private developer. Under GASB 48 these transactions are accounted for as a collateralized borrowing, whereby the City recognizes a liability and capital assets equal to the amount of the public improvements being acquired. The City also uses some tax increment districts to fund improvements in which the City has obtained financing or has used reserves to fund all or some of the improvements, in which case the City follows its general policies outlined in Note 1.

In cases where the City purchases public improvements from private developers, the City agrees to deposit all positive tax increments received for that district in a special fund. Once the developer has completed the agreed upon improvements and has certified to the City the total costs of the improvements, as well as providing reasonable documentation regarding those costs, the City accepts and records the public improvement along with the related liability for the acquired assets. The City then begins making payment to the developer based on the amount of positive tax increments received.

It is a specific condition of the developer's agreement and a condition of the City's obligation that all sums payable shall be limited to the proceeds of the positive tax increment. It is also specifically agreed that the City has made no representation that the proceeds from such funds shall be sufficient to retire the indebtedness incurred by the developer to construct the public improvements.

At December 31, 2009 there were 17 active tax increment financing districts in which costs had been certified in part or in whole. The current principal balances shown below plus interest at the stated applicable rate over the life of the note represent the amount of future property taxes pledged to fund improvements related to these tax increment districts that have been certified as of December 31, 2009. The maximum payoff amounts represent the amount of future tax revenues that were pledged at the time of certification. Increment property taxes are projected to produce 100 % of the maximum debt service requirements presented below.

Those Tax Increment Districts listed below that are marked with an asterisk (\*) have not had the project costs certified in whole. There are some instances in which a condition of the developer's agreement allows the developer to certify costs in phases. There are also some instances in which there are multiple developers and each developer is able to certify their costs when that portion of the project plan has been completed. As each phase/portion of the project has been completed, the City records the liability and capital assets of the public improvements being acquired at that time.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

During the year ended December 31, 2009, principal and interest expenditures and property tax revenues were \$4,526,444.39 and \$6,191,273.49, respectively. These amounts include property tax revenues and principal and interest expenditures related to improvements within tax increment districts funded with City debt or reserves. Each of the individual debt issues listed below have their own debt service fund from which the debt is serviced.

TID 19 – Spiegel – Created in 1990, maximum payoff \$2,470,361 including interest at 11.5 percent, expires 8/16/10.		\$861,914.05
TID 29 – Fiberswitch Technology – Created in 1998, maximum payoff \$90,480 including interest at 9.0 percent, expires 10/5/18.		73,202.60
TID 33 – Fenske Media – Created in 2001, maximum payoff \$738,771 including interest at 9.0 percent, expires 12/17/21.		248,503.56
TID 35 – Estes/Elk Creek – Created in 2002, maximum payoff \$514,103 including interest at 8.5 percent, expires 3/18/22.		69,380.55
TID 36 – Disc Drive – Created in 2002, maximum payoff \$2,055,973 including interest at NY Prime + 1.25 percent (currently 7.25 percent), expires 10/16/22.		337,173.07
TID 38 – Heartland Business – Created in 2003, maximum payoff \$6,360,879 including interest at 9.5 percent, expires 2/13/23.	*	2,196,804.07
TID 39 – E Rapid Plaza – Created in 2003, maximum payoff \$1,276,274 including interest at 7.75 to 8.25 percent, expires 4/21/23.	*	401,620.35
TID 40 – SoCreek Village – Created in 2003, maximum payoff \$1,140,164 including interest at 7.0 percent, expires 5/19/23.		598,899.44
TID 41 – 5 <sup>th</sup> Street – Created in 2005, maximum payoff \$4,391,907.25 including interest at 9.0 percent, expires 6/22/25.	*	1,750,980.55
TID 44 – Mall Drive – Created in 2004, maximum payoff \$7,822,706.77 including interest at 9.0 percent, expires 4/19/24.		3,937,719.57
TID 46 – Red Rocks Meadows – Created in 2004, maximum payoff \$2,372,404 including interest at 9.0 percent, expires 9/24/24.		379,791.19
TID 48 – E St Charles Rd – Created in 2004, maximum payoff \$78,124 including interest at 9.0 percent, expires 11/15/24.	*	11,776.29
TID 51 – Kateland Subdivision – Created in 2005, maximum payoff \$747,820 including interest at 6.0 percent, expires 1/17/25.	*	497,680.35
TID 53 – Stony Creek Plaza – Created in 2005, maximum payoff \$3,199,074 including interest at 8.0 to 9.75 percent, expires 7/5/25.		474,163.11
TID 54 – Rainbow Ridge – Created in 2005, maximum payoff \$5,106,456.72 including interest at 9.0 percent, expires 10/3/25.	*	454,224.42
TID 55 – Mall Ridge – Created in 2005, maximum payoff \$3,610,815.50 including interest at 9.0 percent, expires 10/3/25.		337,593.84

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

TID 56 – Rushmore Crossing – Created in 2005, maximum payoff \$24,471,390.38 including interest at 9.0 percent, expires 11/21/25	* <u>10,084,885.96</u>
Total Tax Increment District Liabilities	22,716,312.97
Other Post Employment Benefit Liabilities	<u>1,157,654.44</u>
Total Liabilities Payable	<u>\$72,160,065.57</u>

Total cost and accumulated depreciation for all capital leases utilized in the governmental activities is as follows:

Gross amount of assets recorded under capital leases	\$727,295.00
Accumulated depreciation – Public Safety	<u>(104,094.25)</u>
Net assets recorded under capital leases	<u>\$618,200.75</u>

The annual requirements for maturity for governmental activities long-term debt (excluding compensated absences and other post employment benefits) outstanding as of December 31, 2009, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations		TID Obligations	
	Principle	Interest	Principle	Interest	Principle	Interest
2010	\$ 9,051,753.31	\$ 1,869,110.60	\$ 97,076.34	\$ 24,475.34	\$ 4,237,703.18	\$ 1,474,909.13
2011	9,443,816.69	1,473,950.42	101,325.26	20,226.43	3,587,898.61	1,237,086.71
2012	9,862,107.54	1,043,452.52	105,760.13	15,791.55	3,439,843.15	983,590.77
2013	6,119,719.57	653,587.79	110,389.12	11,162.57	2,770,760.06	762,839.87
2014	6,181,332.70	393,793.26	115,220.71	6,330.97	1,862,757.31	599,089.43
2015-2019	3,464,833.98	417,737.57	59,487.93	1,287.91	6,776,402.68	1,048,025.25
2020-2024	807,090.83	182,117.97	-	-	40,947.98	1,599.92
2025-2029	605,267.76	37,717.96	-	-	-	-
2030-2034	-	-	-	-	-	-
TOTALS	\$ 45,535,922.38	\$ 6,071,468.09	\$ 589,259.49	\$ 79,274.77	\$ 22,716,312.97	\$ 6,107,141.08

The above noted annual requirements for maturity for the tax increment financing debt are based on actual tax increment revenues received in 2009; estimated tax increment revenues projected by Pennington County to receive in 2010; and estimated tax increment revenues as per the approved project plans.

**Business-Type Activities:**

As indicated below within the description for each debt issue, the City has pledged future revenues associated with various debt agreements. All debt secured by pledged revenues funded capital projects and improvements, or was used to refinance the debt that originally funded the capital projects and improvements, within the specific Funds that pledged the future revenues. The current principal balance plus interest at the stated applicable rate over the life of the debt represents the amount of future revenue pledged. Pledged revenues associated with each debt issue have been pledged through the maturity date listed below for each debt issue. The City has pledged the amount of the future debt service requirements on the issues or 100% of the revenues generated by the Water Fund, Wastewater Fund and Parking Lot Fund, whichever is greater, for the retirement of the debt issues associated with those funds as indicated below. Below is a comparison, by Fund, of principal and interest payments and total pledged revenues for the current year.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

	Water Fund	Wastewater Fund	Parking Lot Fund
CY Principal and Interest	\$572,000.00	\$1,221,432.66	\$191,536.21
Pledged Revenue	\$200,900.23	\$8,989,427.35	\$664,490.15

As of December 31, 2009, the long-term debt payable from proprietary fund resources consisted of the following:

\$674,577 Loan No. 3 from State Revolving Fund (83.33% is federal loan). Due in fifteen quarterly installments of \$19,000 to \$25,000 through May 2010. Interest at 4.0 percent. (This issue is being serviced by pledged sewer user fees.) Interest expense in 2009 was \$2,635.94.	\$29,693.01
\$1,214,861 Loan No. 4 from State Revolving Fund (83.33% is federal loan). Due in fifteen quarterly installments of \$50,630 to \$104,787 through December 2009. Interest at 4.0 percent. (This issue is being serviced by solid waste disposal fees.) Interest expense in 2009 was \$3,707.84	26,861.88
\$2,465,000 Parking Revenue Bond of 2008. Due in annual installments of \$30,000 to \$345,000 through 2028. Interest at 3.5 to 5.7 percent. (This issue is being financed by pledged Parking Facility revenue). Interest expense in 2009 was \$161,536.21.	2,435,000.00
\$4,645,000 Sales Tax Revenue Refunding Bonds of 2008. Due in annual installments of \$640,000 to \$755,000 through 2015. Interest at 2.3 to 3.5 percent. (This issue is being financed by the Consolidated Construction Sales Tax Fund (22%) and the MRF Fund (78%).) Interest expense in 2009 was \$100,428.90	4,005,000.00
\$5,540,000 Gross Receipt Revenue Bond of 2008. Due in annual installments of \$200,000 to \$395,000 through 2028. Interest at 2.15 to 4.55 percent. (This issue is being financed by the Civic Center Fund.) Interest expense in 2009 was \$225,562.50.	5,315,000.00
\$14,000,000 Loan No. 5 from State Revolving Fund. Payable in quarterly installments through October 2022. Interest at 4.5 percent. (This issue is to be serviced by pledged Wastewater Fund revenues). Interest expense in 2009 was \$489,568.38.	10,512,883.59
\$1,330,000 Certificate of Participation (AMT), Series 2004. Due in annual installments of \$115,000 to \$155,000 through 2014. Interest at 2.75 to 5.40 percent. (This issue is being serviced by the Airport Enterprise Fund). Interest expense in 2009 was \$39,621.25.	730,000.00
\$45,100,000 Water Revenue Bonds of 2009. Due in annual installments of \$120,000 to \$3,360,000 through 2039. Interest at 4.0 to 5.25 percent. (This issue is being serviced by pledged Water Enterprise Fund revenues.) Interest expense in 2009 was \$0.	45,100,000.00
	68,154,438.48
Less portion of 2008 Sales Tax Refunding Bonds Serviced by Consolidated Construction Sales Tax Fund (22%).	(881,100.00)
Less unamortized deferred costs on refunding	(724,929.66)
	66,548,408.82

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

Compensated Absences:

Accrued Leave payable from Water Fund	162,028.01
Accrued Leave payable from Wastewater Fund	109,753.47
Accrued Leave payable from Airport Fund	108,629.22
Accrued Leave payable from Solid Waste MRF Fund	13,109.58
Accrued Leave payable from Civic Center Fund	170,379.15
Accrued Leave payable from Non-major Enterprise Funds	<u>250,195.25</u>
	814,094.68

Financing (Capital Acquisition) Leases

\$150,265 under an agreement with PAJO Properties, LLC dated November 3, 2003, for the purchase of supplies and materials to construct a new golf cart barn and other improvements at Meadowbrook Golf Course. Due in monthly installments of \$1,614 including interest at 10 percent. The final payment is due August 19, 2019. The lease is financed by the Golf Fund. Interest expense in 2009 is \$12,304.69.

119,157.88

\$835,000 under an agreement with Wells Fargo Brokerage Services, LLC dated July 7, 2005, for the construction of the airport parking lot. Due in semi-annual installments of \$56,932.49, which includes interest at 6.31 percent. The final payment is due July 7, 2015. The lease is serviced by the Airport Fund. Interest expense in 2009 was \$38,992.24

522,281.15

\$538,886.00 under an agreement with Wells Fargo Brokerage Services, LLC, dated April 2, 2009 for the purchase of 4 new ambulances, which are security for the Lease. Due in annual installments of \$150,808.97, including interest of 4.67 percent. The final payment is due April 2, 2013. The lease is serviced by the Ambulance Fund. Interest expense in 2009 was \$0.

538,886.00

\$2,079,960.00 under an agreement with Wells Fargo Brokerage Services, LLC, dated December 14, 2009 for the purchase of 10 new Solid Waste Collection trucks, which are security for the Lease. Due in annual installments of \$343,091.71, including interest at 3.73 percent. The final payment is due December 14, 2016. The lease is serviced by the Solid Waste Collection Fund. Interest expense in 2009 was \$0.

2,079,960.00

\$385,170.00 under an agreement with Pioneer Bank & Trust, dated August 6, 2009 for the purchase of equipment at the Civic Center, which is security for the Lease. Due in monthly installments of \$7,524.48, including interest at 6.25 percent. The final payment is due September 1, 2014. The lease is serviced by the Civic Center Fund. Interest expense in 2009 was \$7,648.32.

370,244.79  
3,630,529.82

Accrued Landfill Closure

1,289,230.66

Other Post Employment Benefit Liabilities

440,716.43

Total Liabilities Payable

\$72,722,980.41

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

Total cost and accumulated depreciation for all capital leases utilized by business-type activities is as follows:

Gross amount of assets recorded under capital leases – land improvements	\$1,287,727.12
Gross amount of assets recorded under capital leases – buildings	150,265.32
Gross amount of assets recorded under capital leases – equipment	1,132,126.11
Accumulated depreciation – Airport	(236,619.94)
Accumulated depreciation – Golf	(14,876.36)
Accumulated depreciation – Civic Center	(16,383.97)
Accumulated depreciation – Ambulance	<u>(14,400.72)</u>

Net assets recorded under capital leases \$2,287,837.56

The annual requirements for maturity for business-type activities long-term debt (excluding compensated absences, other post employment benefits and accrued landfill closure) outstanding as of December 31, 2009, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations	
	Principle	Interest	Principle	Interest
2010	\$ 1,582,329.21	\$ 3,047,563.09	\$ 550,264.86	\$ 169,685.34
2011	1,580,376.46	3,189,415.05	576,567.23	143,544.07
2012	1,640,155.55	3,127,583.26	604,183.72	116,099.03
2013	1,710,170.02	3,061,072.74	633,303.10	87,162.09
2014	1,767,680.99	2,990,221.42	490,394.82	56,882.07
2015-2019	7,280,807.17	14,064,143.33	775,816.09	59,540.33
2020-2024	12,454,300.53	11,704,608.70	-	-
2025-2029	11,611,172.22	8,844,428.75	-	-
2030-2034	11,840,708.30	5,928,562.50	-	-
2035-2039	15,080,708.37	2,477,737.50	-	-
TOTALS	<u>\$ 66,548,408.82</u>	<u>\$ 50,029,036.34</u>	<u>\$ 3,630,529.82</u>	<u>\$ 632,912.93</u>

State Revolving Fund loans paid in full during 2009 incurred interest expense of \$2,171.25. Water Revenue Bonds paid in full during 2009 incurred interest expense of \$22,000.00. Capital leases paid in full during 2009 incurred interest expense of \$18,143.84.

Arbitrage Rebate Liability (included in Accrued Interest Expense)

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. At December 31, 2009, the City reported a total arbitrage rebate liability of \$770,603.63 reported in governmental activities. This amount has also been recorded in the governmental funds as the City has set aside funds to retire the arbitrage liability.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. LONG-TERM LIABILITIES (Continued)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2009:

Primary Government:

Government Activities:	Liabilities Payable 1/1/2009	Issued	Retired	Liabilities Payable 12/31/2009	Due Within One Year
Lease	\$800,552.44	\$ -0-	(\$211,292.95)	\$589,259.49	\$97,076.34
Revenue Bond	54,206,341.18	-0-	(8,670,418.80)	45,535,922.38	9,051,753.31
Compensated Absence	2,081,312.00	200,947.44	(121,343.15)	2,160,916.29	80,000.00
TID	9,017,546.13	16,957,530.44	(3,258,763.60)	22,716,312.97	4,237,703.18
Other Post Employment Benefits	630,415.84	849,044.84	(321,806.24)	1,157,654.44	321,806.24
Total	\$66,736,167.59	\$18,007,522.72	(\$12,583,624.74)	\$72,160,065.57	\$13,788,339.07

Business Activities:	Liabilities Payable 1/1/2009	Issued	Retired	Liabilities Payable 12/31/2009	Due Within One Year
Leases	\$ 1,000,025.61	\$3,004,016.00	(\$373,511.79)	\$ 3,630,529.82	\$550,264.86
Accrued Landfill Closure (Note 14)	1,203,097.30	86,133.36	-0-	1,289,230.66	-0-
Revenue Bonds	24,317,334.39	44,482,258.25	(2,251,183.82)	66,548,408.82	1,582,329.21
Other Post Employment Benefits	238,990.18	324,237.16	(122,510.91)	440,716.43	122,510.91
Compensated Absence	766,060.14	72,730.97	(24,696.43)	814,094.68	38,500.00
Total	\$27,525,507.62	\$47,969,375.74	(\$2,771,902.95)	\$72,722,980.41	\$2,293,604.98

Advanced and current refundings

On August 29, 2008, the City of Rapid City provided cash resources in the amount of \$1,304,933.19 to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future payments on \$1,255,000 of Parking Revenue Bonds, Series 2003. New bonds were not issued as part of this transaction. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. The outstanding principal of the defeased bonds is \$1,055,000 at December 31, 2009. This debt was previously recorded in the business-type activities.

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivable and payable balances at December 31, 2009 were:

	Interfund Receivable	Interfund Payable
<b>General Fund:</b>	\$1,965,809.54	
<b>Special Revenue Funds:</b>		
Consolidated Construction	651,383.78	
2012 Sales Tax Fund	125,911.56	
Utility Facilities Fund	5,819,000.00	
TID 56 Fund		\$1,896,000.00
TID 55 Fund		1,097,940.77
TID 49 Fund		188,856.00
TID 38 Fund		100,000.00
TID 39 Fund		1,191,144.00
TID 41 Fund		612,648.65
TID 42 Fund		5,700,000.00
<b>Total Governmental Funds</b>	<b>\$8,562,104.88</b>	<b>\$10,786,589.42</b>

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

**Enterprise Funds:**

Water Fund	\$2,200,000.00	\$270,000.00
Wastewater	1,097,940.77	423,000.00
Golf Courses	3,492.10	125,911.56
Executive Golf		3,492.10
Ambulance		254,544.67
Energy Plant		154,606.44
Solid Waste Disposal	154,606.44	
<b>Total Enterprise Funds</b>	<b>\$3,456,039.31</b>	<b>\$1,231,554.77</b>

The General Fund loaned monies to the Ambulance Fund for start-up operation costs. The current portion expected to be repaid to the General Fund is \$95,544.91.

The General Fund loaned monies to Tax Increment District 41 Fund for infrastructure improvements. The current portion expected to be repaid to the General Fund is \$19,370.22.

The General Fund loaned monies to Tax Increment District 56, 49 and 39 funds and the Water Fund for infrastructure improvements. The current portion expected to be repaid to the General is \$0 as this will be repaid as tax increment revenues are received based on the project plans.

The Consolidated Construction Fund loaned monies to Tax Increment District 41 for infrastructure improvements. The current portion expected to be repaid to the Consolidated Construction Fund is \$174,331.95.

The 2012 Sales Tax fund loaned monies to the Golf Course Fund to construct a pro shop. The current portion expected to be repaid to the 2012 Sales Tax fund is \$46,012.69.

The Consolidated Construction Fund loaned monies to Tax Increment District 38 Fund to construct a water main. The current portion expected to be repaid to the Consolidated Construction Fund is \$0 as this will be repaid as tax increment revenues are received based on the project plans.

The Utility Facilities Fund loaned monies to Tax Increment District 56 and 42 funds for the construction of water and sewer infrastructure. The current portion expected to be repaid to the Utility Facilities Fund is \$792,968.49.

The Utility Facilities fund loaned monies to the Wastewater Fund for the construction of sewer infrastructure. The current portion expected to be repaid to the Utility Facilities Fund is \$60,000.00.

The Solid Waste Disposal Fund loaned monies to the Energy Plant Fund for short-term cash flow needs while waiting for reimbursement from the Civic Center and the Rapid City Area School District. The current portion expected to be repaid is \$154,606.44.

The Golf Course Fund loaned monies to the Executive Golf Fund for short-term cash flow needs. The current portion expected to be repaid is \$3,492.10.

The Wastewater Fund loaned monies to Tax Increment District 55 Fund for the construction of sewer infrastructure. The current portion expected to be repaid to the Wastewater Fund is \$491,641.14.

The Water Fund loaned monies to Tax Increment District 42 Fund for the construction of water infrastructure. The current portion expected to be paid to the Water Fund is \$509,024.14.



CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS  
NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers during the year ended December 31, 2009 were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>GENERAL FUND</b>		
Enterprise-Major		
Water	\$233,137.00	\$44,475.44
Wastewater	145,404.00	26,669.51
Solid Waste MRF/Compost	49,081.00	
Civic Center	148,325.51	56,250.00
Airport		
Enterprise-Nonmajor	55,871.00	171,016.00
Special Revenue - Nonmajor	41,128.00	
Special Revenue – Major		
Consolidated Construction	200,000.00	
Total General Fund	<u>\$872,946.51</u>	<u>\$298,410.95</u>
<b>GOVERNMENTAL FUNDS:</b>		
2012 Sales Tax		
Civic Center		\$102,796.86
Total 2012 Sales Tax		<u>\$102,796.86</u>
Consolidated Construction		
General		\$200,000.00
Nonmajor Enterprise		552,744.25
Total Consolidated Construction		<u>\$752,744.25</u>
Utility Facilities Fund		
Wastewater		\$657,160.00
Total Utility Facilities Fund		<u>\$657,160.00</u>
Nonmajor Governmental		
General Fund		\$41,128.00
Water		5,699,094.11
Wastewater		3,215,618.10
Nonmajor Enterprise		10,252.88
Total Nonmajor Governmental		<u>\$8,966,093.09</u>
Total Governmental Funds	<u>\$872,946.51</u>	<u>\$10,777,205.15</u>

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>ENTERPRISE FUNDS:</b>		
Water		
General	\$44,475.44	\$233,137.00
Nonmajor Governmental	5,699,094.11	
Wastewater		44,807.50
Total Water	<u>\$5,743,569.55</u>	<u>\$277,944.50</u>
Wastewater		
General	\$26,669.51	\$145,404.00
Water	44,807.50	
Utility Facilities	657,160.00	
Nonmajor Governmental	3,215,618.10	
Total Wastewater	<u>\$3,944,255.11</u>	<u>\$145,404.00</u>
Solid Waste MRF/Compost		
General		\$49,081.00
Other Nonmajor Enterprise	\$765,070.00	
Total Solid Waste MRF/Compost	<u>\$765,070.00</u>	<u>\$49,081.00</u>
Civic Center		
General	\$56,250.00	\$148,325.51
Vision 2012	102,796.86	
Total Civic Center	<u>\$159,046.86</u>	<u>\$148,325.51</u>
Nonmajor Enterprise		
General	\$171,016.00	\$55,871.00
Consolidated Construction	552,744.25	
Nonmajor Governmental	10,252.88	
Solid Waste MRF		765,070.00
Total Nonmajor Enterprise	<u>\$734,013.13</u>	<u>\$820,941.00</u>
Total Enterprise	<u>\$11,345,954.65</u>	<u>\$1,441,696.01</u>
Total Transfers	<u>\$12,218,901.16</u>	<u>\$12,218,901.16</u>

Transfers are used when surplus resources are available in one fund, and are needed in another fund to support essential functions of government, when the governing body so authorizes.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. DUE FROM OTHER GOVERNMENTS

GOVERNMENTAL FUNDS:

General Fund	
Local Government Highway/Bridge	\$93,581.75
Motor Vehicle	14,288.29
Liquor Tax Reversion	93,108.88
Air Quality Grant	14,671.04
Historic Preservation	1,609.78
Police Grant	39,184.82
Blood Testing	10,815.00
School Liaison	15,275.26
Police Reimbursements from other Agencies	15,459.55
Urban Mass Transit Grant	225,027.00
Transportation Planning	121,641.73
Total	<u>\$644,663.10</u>

Consolidated Construction Fund	
Reimbursement from SD DOT	\$1,559,603.96
Total	<u>\$1,559,603.96</u>

Nonmajor Governmental Funds	
RSVP Grant	\$5,694.70
Community Development Grant	106,623.02
ARRA Community Development Grant	2,191.40
Total	<u>\$114,509.12</u>
Total Governmental Funds	<u>\$2,318,776.18</u>

PROPRIETARY FUNDS:

Airport Fund	
Law Enforcement Grant	\$28,890.60
Airport Improvement Project	1,081,861.19
Total	<u>\$1,110,751.79</u>

Nonmajor Proprietary Funds	
Energy Plant – Due from RCAS	\$44,026.75
Total	<u>\$44,026.75</u>
Total Proprietary Funds	<u>\$1,154,778.54</u>

Grand Total	<u>\$3,473,554.72</u>
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CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. SEGMENT INFORMATION

The City issued separate revenue bonds to finance the Parking Lot and Area Fund. Summary financial information for the non-major fund is presented below. The Parking Lot and Area administers the downtown parking lots, parking meters, parking ramp and fines.

BALANCE SHEET

Assets		
Current Assets		\$793,050.75
Capital Assets		<u>6,735,304.26</u>
Total Assets		<u>\$7,528,355.01</u>
Liabilities		
Other Current Liabilities		\$83,872.50
Noncurrent Liabilities		<u>2,348,739.95</u>
Total Liabilities		<u>\$2,432,612.45</u>
Net Assets		
Invested in Capital Assets Net of related debt		4,311,564.31
Revenue Bond Retirement		243,359.59
Unrestricted		<u>540,821.66</u>
Total Net Assets		<u>\$5,095,742.56</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$664,490.15
Depreciation Expense	(56,327.65)
Other Operating Expenses	<u>(347,201.83)</u>
Operating Income	260,960.67
Investment Income	6,357.08
Interest Expense	<u>(173,724.53)</u>
Net Income	93,593.22
Transfers	<u>(18,749.00)</u>
Changes in Net Assets	74,844.22
Beginning Net Assets	<u>5,020,898.34</u>
Ending Net Assets	<u>\$5,095,742.56</u>

STATEMENT OF CASH FLOWS

Net Cash Provided (used) by:	
Operating Activities	\$(2,183,807.16)
Noncapital Finance Activities	(18,749.00)
Capital and Related Financing Activities	(432,969.82)
Investing Activities	<u>2,698,807.49</u>
Net Decrease	63,281.51
Beginning Cash and Equivalents	<u>-0-</u>
Ending Cash and Equivalents	<u>\$63,281.51</u>

NOTE 8. PRIOR PERIOD ADJUSTMENTS

*Correction of Errors*

The previously issued financial statements have been restated to reflect the following prior period adjustments due to correction of errors:

1. Reduce the fixed assets in the amount of \$4,198,233.58, as the Journey Museum was previously recorded twice. This adjustment is to the Government Activities only and decreased the net assets.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. PRIOR PERIOD ADJUSTMENTS (continued)

2. Record a loan in the amount of \$3,150,000 from the Utility Facilities Fund to the Water and Sewer Funds previously recorded as transfers. This adjustment increased the assets and the net assets of the Government Activities and increased the liabilities and decreased the net assets of the Business-type Activities.
3. Record grant revenue from a road construction project in the government-wide statements that should have been recorded in 2008, when the project was completed.

NOTE 9. CONDUIT DEBT

In the past, the City has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facility is retained by the private-sector entity served by the bond issuance.

Neither the City, the State of South Dakota, nor any other political subdivision of the state is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2009, there were 6 series of conduit bonds outstanding that had been issued prior to August 1995. The aggregate principal amount payable for these bonds could not be determined; however, their original issue amounts totaled \$40,535,000. As of December 31, 2009, there was one series of conduit bonds outstanding that had been issued subsequent to August 1995. The original total issue amount of these bonds was \$2,000,000, and the approximate outstanding balance as of December 31, 2009 was \$200,000.

NOTE 10. RETIREMENT PLAN

All employees working more than 20 hours per week after the first six months of service participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor's benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make additional contributions in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for the social security for general employees. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2009, 2008 and 2007 are \$2,296,543.92, \$2,180,730 and \$2,108,276 respectively, equal to the required contributions each year.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

An employee hired after 1982 who retires from the City after having met the rule of 75 (Public Safety employees) or 85 (all other municipal employees) may be eligible for health insurance for the retiree and his/her spouse and eligible children through the City of Rapid City Healthcare Benefit Plan, which is a single-employer plan established under SDCL 9-14-35 and 6-1-16. Coverage ceases when the retiree attains the age of 65. The retiree is responsible for 100% of the full active premium rates for either single or family coverage.

An employee hired prior to 1982 who retires from the City after having met the rule of 75 (Public Safety employee) or 85 (all other municipal employees) may be eligible for health insurance with the City paying 100% of the full active premium rates for the retiree only, until the retiree attains the age of 65. The retiree is responsible for 100% of the full active premium rates for his/her spouse and eligible children.

The health plan is a self insured PPO providing benefits to eligible participants. Currently, there are 680 active participants and 146 retirees who are participating in the plan. The health plan does not issue separately stated stand-alone financial statements.

For fiscal year 2009, the City's annual OPEB cost for the retiree health insurance was \$1,173,282. The City's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended December 31, 2009, were as follows:

ARC	\$ 1,173,282.00
Interest on Net OPEB	-
Adjustment to ARC	-
Annual OPEB Cost	1,173,282.00
Contributions Made	(444,317.15)
Change in net OPEB obligation	728,964.85
Net OPEB obligation-beg of year	869,406.00
Net OPEB obligation-end of year	\$ 1,598,370.85

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
12/31/2008	\$1,173,282.00	\$303,876.00	25.90%	\$869,406.00
12/31/2009	\$1,173,282.00	\$444,317.15	37.87%	\$1,598,370.85

Fiscal year 2008 was the year of implementation of GASB Statement Nos. 43 and 45 and the City has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of January 1, 2009, was as follows:

Actuarial Present Value of Future Benefits.....	<u>\$19,356,971.00</u>
Actuarial Accrued Liability.....	\$12,867,931.00
Actuarial Value of Benefit Assets.....	-
Unfunded Actuarial Accrued Liability.....	<u>\$12,867,931.00</u>
Funded Ratio.....	0.0%
Covered Payroll.....	\$32,525,262.60
Unfunded Actuarial Accrued Liability as a percentage Of Covered Payroll.....	39.6%

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term prospective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of benefit assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because fiscal year 2008 was the year of implantation of GASB Statement Nos. 43 and 45 and the City elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

The City's agreement with retired employees is for single or family health insurance coverage and the retiree is responsible for 100% of the active premium rates unless the retiree was employed with the City prior to 1982. If the retiree was employed with the City prior to 1982, the City pays 100% of the active premium rates for the retiree only. For fiscal year 2009, the monthly rates were \$385 for single coverage; \$770 for two-party; \$1,177 for family (up to 4); \$1,295 for family (5+); and \$341 Medicare single. The contribution requirements of the covered retirees are established and may be amended by the City Council.

Because the State prohibits local governments from separately rating active employees and retirees, the City charges both groups an equal, blended premium rate for single or family coverage. Although both groups are charged the same rate, GAAP requires the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability.

The City's contributions were financed on a pay as you go basis and the City does not contribute towards these benefits based on a percentage of payroll.

The entry age normal actuarial cost method was used to determine the annual required contribution. The actuarial value of assets is equal to the fair value of the assets. The actuarial assumptions included a 4.5% investment rate of return. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3%. The health care cost trend rates are as follows:

Fiscal Year	Expense Rate
2009	9.0%
2010	8.5%
2011	8.0%
2012	7.5%
2013	7.0%
2014	6.5%
2015	6.0%
2016	5.5%
2017	5.0%
After 2017	4.5%

The unfunded accrued liability is being amortized as a level dollar amount on an open basis over a period of 30 years.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12. DEFICIT FUND BALANCE

As of December 31, 2009, there are deficit fund balances in the following funds: TID 55 (\$750,325.96), TID 56 (\$1,654,697.76), TID 39 (\$1,183,263.33), TID 41 (\$531,874.08), and TID 42 (\$4,656,144.15), all of which will be funded through property tax revenues received on the respective tax increment district.

NOTE 13. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS:

The City is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations as of December 31, 2009:

General Fund – Transfers Out	\$ 71,144.95
2012 Sales Tax Fund – Debt Service	44,863.65
Consolidated Construction – Transfers Out	552,744.25
TID 29 – Debt Service	6,099.44
TID 39 – Debt Service	28,159.97
TID 40 – Debt Service	12,238.15
TID 43 – Transfers Out	59,423.36
TID 53 – Debt Service	7,937.17
TID 55 – Transfers Out	1,097,940.77
TID 56 – Capital Outlay	159,423.88
TID 36 – Capital Outlay	347,451.04
TID 42 – Transfers Out	5,350,000.00
Comm Dev – ARRA – Community Development	2,191.40
Cemetery Perpetual Care – Transfers Out	10,252.88

To prevent overdrafts of future expenditures compared to appropriations, the City will evaluate its budget compliance prior to year-end and make amendments as necessary.

NOTE 14. CONTINGENT LIABILITIES

The City has been named as defendant in several lawsuits that have been referred to the City's insurance carriers. The City and its attorneys believe that any liability to the City would not be material, and that loss, if any, could be covered by insurance or would be substantially covered by the City's reserve for uninsured claims. The deductible is \$100,000 for general and auto liability and professional liability, and \$50,000 for building and property damage.

NOTE 15. RISK MANAGEMENT

General:

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; and natural disasters. The City carries commercial insurance for insurable risks of loss except for worker's compensation, liability insurance, employee health insurance, employee dental insurance, and unemployment benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past fiscal year. The City has established self-insurance internal service funds to pay for medical, workers' compensation, unemployment compensation and dental claims of City employees and their covered dependents as well as the deductible portion of liability claims.



CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 15. RISK MANAGEMENT (continued)

Payments to the self-insurance funds are actuarially determined and are to cover individual claims up to \$100,000 for health insurance, \$325,000 for workers' compensation, and any administrative costs relative to the processing of the claims. Maximum payments for dental insurance are \$1,500 per employee, and liability claims up to \$100,000. The claims exceeding this amount are covered through private insurance carriers (up to \$5,000,000 per claim for liability claims). An estimated liability for claims incurred but not paid is accrued based upon confirmation from the City's third party administrators for claims received within 60 days of year-end, and are reported as accounts payable. The City is a reimbursable employer for purposes of unemployment insurance.

The City has reserved equity in the workers compensation fund of \$344,060.96, in the medical insurance fund of \$5,736,412.58, in the unemployment insurance fund of \$277,596.20, in the liability insurance fund of \$1,326,628.33, and in the dental insurance fund of \$99,846.92 for the payment of such future claims.

Changes in the aggregate liabilities of the self-insurance funds during 2009 were as follows:

	Liability Insurance	Dental Insurance	Workers Comp. Insurance	Medical Insurance	Unempl. Insurance
Benefit Claims Payable at Beginning of Year	\$351,762.85	\$6,142.80	\$1,582,673.25	\$690,330.75	\$4,919.33
Claims Incurred: Attributable to Insured Events of the Current Year	293,489.73	125,317.16	347,866.59	4,280,836.62	42,318.92
Claims Paid: Attributable to Insured Events of the Current and Prior Years	(208,544.61)	(120,201.96)	(580,941.53)	(4,536,146.13)	(36,473.16)
Benefit Claims Payable At End of Year	\$436,707.97	\$11,258.00	\$1,349,598.31	\$435,021.24	\$10,765.09

NOTE 16. LANDFILL

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,289,230.66 reported as landfill closure and postclosure care liability at December 31, 2009 represents the cumulative amount reported to date based on the issue of 29.6 percent of the estimated capacity of the landfill. This liability includes an accrual for remedial action costs. The City will recognize the remaining estimated cost of closure and postclosure care of \$3.048 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. The City expects to close the landfill in the year 2053.

However, the recycling plant, in addition to our yard waste and proposed composting facility, could extend the life an additional 35 years. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and, at December 31, 2009, investments of \$1,289,230.66 are held for these purposes. These contributions for the future closure and post-closure care of the landfill will be used to retire the non-current liability for closure and post-closure care reported on the enterprise balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
<b>Revenues:</b>			
310 Taxes:			
311 General Property Taxes	\$12,507,468.00	\$12,507,468.00	\$12,267,611.76
313 General Sales and Use Taxes	19,923,938.00	19,923,938.00	19,414,588.66
314 Gross Receipts Business Taxes	585,000.00	585,000.00	706,587.48
320 Licenses and Permits	2,610,438.00	2,610,438.00	1,506,133.04
330 Intergovernmental Revenue:			
331 Federal Grants	2,022,846.00	3,189,869.94	2,882,727.44
334 State Grants	77,425.00	102,158.47	34,941.80
335 State Shared Revenue:			
335.01 Bank Franchise Tax	100,000.00	100,000.00	110,744.20
335.03 Liquor Tax Reversion	400,000.00	400,000.00	362,868.87
335.04 Motor Vehicle Licenses (5%)	48,750.00	48,750.00	43,212.05
335.06 Fire Insurance Reversion	168,000.00	168,000.00	175,345.63
335.08 Local Government Highway and Bridge Fund	425,000.00	425,000.00	402,713.00
338 County Shared Revenue:			
338.01 County Road Tax (25%)	276,250.00	276,250.00	250,899.79
340 Charges for Goods and Services:			
341 General Government	90,269.00	91,532.40	305,424.78
342 Public Safety	406,822.00	406,822.00	627,003.88
343 Public Works	20,000.00	22,873.38	88,873.40
345 Health & Welfare	388,000.00	413,000.00	294,574.81
346 Culture and Recreation	1,336,969.00	1,748,162.00	1,511,744.84
349 Conservation & Development	546,438.00	546,438.00	-
350 Fines and Forfeits:			
351 Court Fines and Costs	100,000.00	100,000.00	41,545.03
360 Miscellaneous Revenue:			
361 Interest Earnings	640,545.00	640,545.00	307,965.53
362 Rentals	25,000.00	25,000.00	134,564.18
363 Special Assessments	-	-	99,971.28
367 Contributions and Donations	-	-	25,550.00
369 Other	250,000.00	250,000.00	56,122.88
Total Revenue	<u>42,949,158.00</u>	<u>44,581,245.19</u>	<u>41,651,714.33</u>
<b>Expenditures:</b>			
410 General Government:			
411 Contingency	150,000.00	150,000.00	-
Transferred		(150,000.00)	-
412 Executive-Mayor & Council	582,398.00	590,227.44	540,985.22
414 Financial - Community Resources	358,280.00	456,588.14	449,380.39
414 Financial - Finance	747,489.00	822,590.07	717,443.76
414 Financial - Attorney	75,452.00	97,516.31	73,307.78
419 Other - Government Bldgs	829,324.00	855,936.74	845,555.21
420 Public Safety:			
421 Police	12,714,698.00	12,895,786.63	12,020,289.75
422 Fire	7,945,815.00	8,144,187.26	7,883,978.93
429 Other Protection-Corrections	65,000.00	65,000.00	47,606.48
429 Other Protection-Code Enforcement	196,974.00	197,621.71	194,537.53
429 Other Protection-ACE	20,168.00	20,334.07	17,373.93

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
429 Other Protection-Emergency Mgt	86,451.00	86,451.00	86,451.00
430 Public Works:			
431 Highways and Streets	5,714,952.00	6,353,151.00	6,138,307.60
43x Administration	(53,171.00)	(297.17)	(219,629.76)
440 Health and Welfare:			
441 Health	426,000.00	426,000.00	392,582.41
444 Humane Society	242,018.00	242,018.00	242,018.00
449 Other - Public Transit	1,743,545.00	1,774,797.66	1,766,102.86
449 Other - Air Quality	79,184.00	82,151.80	45,870.52
450 Culture and Recreation:			
451 Recreation	392,531.00	393,153.61	375,992.79
451 Swimming Pools	1,547,007.00	1,600,221.17	1,567,591.82
451 Ice Arena	602,055.00	658,518.91	658,123.58
452 Parks	2,311,105.00	2,228,251.65	2,115,720.31
455 Libraries	2,721,453.00	3,256,116.36	3,057,587.26
457 Historic Preservation	16,275.00	42,947.97	23,738.36
459 Other - Parks & Recreation Admin	213,497.00	215,007.83	213,196.43
459 Other - Subsidies	200,000.00	200,000.00	200,000.00
460 Conservation and Development:			
465 Economic Development	483,000.00	483,000.00	483,000.00
465 Community Development	2,502,059.00	2,686,374.37	2,219,432.58
465 Transportation Planning	494,483.00	1,048,867.05	548,289.49
465 GIS Information System	100,001.00	105,673.74	70,786.60
470 Debt Service	159,523.00	245,578.28	245,524.35
485 Capital Outlay	1,736,796.00	3,383,732.00	2,734,089.23
Total Expenditures	45,404,362.00	49,657,503.60	45,755,234.41
Excess of Revenue Over (Under)			
Expenditures	(2,455,204.00)	(5,076,258.41)	(4,103,520.08)
<b>Other Financing Sources (Uses):</b>			
391.01 Transfers In	824,756.00	865,884.00	872,946.51
511 Transfers Out	(190,266.00)	(227,266.00)	(298,410.95)
391.03 Sale of Municipal Property	50,000.00	50,000.00	53,451.00
391.27 Capital Leases	-	-	-
Total Other Financing Sources (Uses)	684,490.00	688,618.00	627,986.56
Net Change in Fund Balances	(1,770,714.00)	(4,387,640.41)	(3,475,533.52)
Fund Balance - Beginning	17,540,720.08	17,540,720.08	17,540,720.08
<b>FUND BALANCE- ENDING</b>	<b>\$15,770,006.08</b>	<b>\$13,153,079.67</b>	<b>\$14,065,186.56</b>

The notes to the required supplementary information are an integral part of this statement.

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**2012 SALES TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
<b>Revenues:</b>			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,911,969.00	\$ 9,911,969.00	\$ 9,707,294.32
340 Charges for Goods and Services:			
341 General Government	-	-	9,500.00
346 Culture & Recreation	28,981.00	28,981.00	-
360 Miscellaneous Revenue:			
361 Interest Earnings	82,943.00	82,943.00	409,730.33
367 Contributions and Donations	-	-	1,000,000.00
Total Revenue	<u>10,023,893.00</u>	<u>10,023,893.00</u>	<u>11,126,524.65</u>
<b>Expenditures:</b>			
430 Public Works:			
431 Highways and Streets	300,000.00	300,000.00	-
43x Administration	261,000.00	261,000.00	261,000.00
450 Culture and Recreation			
451 Recreation	100,000.00	100,000.00	1,440.00
460 Conservation & Development			
465 Economic Development	500,000.00	1,070,744.00	1,000,000.00
470 Debt Service	6,719,482.00	6,719,482.00	6,764,345.65
485 Capital Outlay	3,000,000.00	6,873,446.00	1,603,542.66
490 Miscellaneous			
492 Other Expenditures	5,000.00	16,800.00	16,787.64
Total Expenditures	<u>10,885,482.00</u>	<u>15,341,472.00</u>	<u>9,647,115.95</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(861,589.00)</u>	<u>(5,317,579.00)</u>	<u>1,479,408.70</u>
<b>Other Financing Sources (Uses):</b>			
511 Transfers Out	-	(300,000.00)	(102,796.86)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000.00)</u>	<u>(102,796.86)</u>
Net Change in Fund Balances	(861,589.00)	(5,617,579.00)	1,376,611.84
Fund Balance - Beginning	20,658,023.66	20,658,023.66	20,658,023.66
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 19,796,434.66</u></u>	<u><u>\$ 15,040,444.66</u></u>	<u><u>\$ 22,034,635.50</u></u>

The notes to the required supplementary information are an integral part of this statement.

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**CONSOLIDATED CONSTRUCTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
<b>Revenues:</b>			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,911,969.00	\$ 9,911,969.00	\$ 9,707,294.31
330 Intergovernmental Revenue:			
331 Federal Grants	-	-	385,382.00
340 Charges for Goods and Services:			
341 General Government	-	-	1,195.98
343 Public Works	693,555.00	693,555.00	608,155.02
360 Miscellaneous Revenue:			
361 Interest Earnings	88,246.00	88,246.00	101,290.23
367 Contributions and Donations	-	-	-
Total Revenue	<u>10,693,770.00</u>	<u>10,693,770.00</u>	<u>10,803,317.54</u>
<b>Expenditures:</b>			
430 Public Works:			
43x Administration	1,188,278.00	1,188,278.00	1,187,417.00
450 Culture & Recreations			
452 Parks	64,375.00	64,375.00	64,375.00
470 Debt Service	1,844,462.00	1,844,462.00	1,809,887.93
485 Capital Outlay	8,553,678.00	19,640,001.00	8,899,144.58
490 Miscellaneous			
492 Other Expenditures	355,000.00	5,000.00	3,356.09
Total Expenditures	<u>12,005,793.00</u>	<u>22,742,116.00</u>	<u>11,964,180.60</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,312,023.00)</u>	<u>(12,048,346.00)</u>	<u>(1,160,863.06)</u>
<b>Other Financing Sources (Uses):</b>			
391.01 Transfers In	-	-	-
511 Transfers Out	(200,000.00)	(200,000.00)	(752,744.25)
391.02 Long-term debt issued	-	-	-
Total Other Financing Sources (Uses)	<u>(200,000.00)</u>	<u>(200,000.00)</u>	<u>(752,744.25)</u>
Net Change in Fund Balances	(1,512,023.00)	(12,248,346.00)	(1,913,607.31)
Fund Balance - Beginning	15,680,974.30	15,680,974.30	15,680,974.30
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 14,168,951.30</u></u>	<u><u>\$ 3,432,628.30</u></u>	<u><u>\$ 13,767,366.99</u></u>

The notes to the required supplementary information are an integral part of this statement.

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**UTILITY FACILITIES FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
<b>Revenues:</b>			
310 Taxes:			
313 General Sales and Use Taxes	\$ 3,430,393.00	\$ 3,430,393.00	\$ 3,374,728.31
340 Charges for Goods and Services:			
343 Public Works	60,000.00	60,000.00	194,395.60
360 Miscellaneous Revenue:			
361 Interest Earnings	134,942.00	134,942.00	263,325.29
Total Revenue	<u>3,625,335.00</u>	<u>3,625,335.00</u>	<u>3,832,449.20</u>
<b>Expenditures:</b>			
470 Debt Service	1,861,480.00	1,861,480.00	1,861,479.56
490 Other Expenditures	2,500.00	6,002.50	6,002.50
Total Expenditures	<u>1,863,980.00</u>	<u>1,867,482.50</u>	<u>1,867,482.06</u>
Excess of Revenue Over (Under)			
Expenditures	<u>1,761,355.00</u>	<u>1,757,852.50</u>	<u>1,964,967.14</u>
<b>Other Financing Sources (Uses):</b>			
511 Transfers Out	-	(657,160.00)	(657,160.00)
391.02 Long-term debt issued	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(657,160.00)</u>	<u>(657,160.00)</u>
Net Change in Fund Balances	1,761,355.00	1,100,692.50	1,307,807.14
Fund Balance - Beginning	10,642,527.07	10,642,527.07	10,642,527.07
Prior Period Adjustment	-	-	3,150,000.00
<b>FUND BALANCE- ENDING</b>	<u>\$ 12,403,882.07</u>	<u>\$ 11,743,219.57</u>	<u>\$ 15,100,334.21</u>

The notes to the required supplementary information are an integral part of this statement.

CITY OF RAPID CITY, SOUTH DAKOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Budgets and Budgetary Accounting:**

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

1. At the first regular board meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the governing board, the operation budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in Number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year end.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The following represents the overdrafts of the expenditures compared to appropriations for governmental funds. These overdrafts are primarily due to the transfer of assets to other funds, year-end arbitrage accrual.

Fund:	Final Budget	Actual Expenditure	Overdraft
General Fund:			
Transfers Out	\$227,266.00	\$298,410.95	\$71,144.95
2012 Sales Tax Fund:			
Debt Service	\$6,719,482.00	\$6,764,345.65	\$44,863.65
Consolidated Construction Fund:			
Transfers Out	\$200,000.00	\$752,744.25	\$552,744.25



**CITY OF RAPID CITY  
SCHEDULE OF FUNDING PROGRESS  
FOR RETIREE HEALTH INSURANCE COVERAGE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Schedule of Funding Progress for the Retiree Health Insurance Coverage**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 12,867,931.00	\$ 12,867,931.00	0.0%	\$ 31,138,695.09	41.3%
12/31/2009	\$ -	\$ 12,867,931.00	\$ 12,867,931.00	0.0%	\$ 32,525,262.60	39.6%

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**CITY OF RAPID CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>TID 33 Fund</b>	<b>Occupancy Tax Fund</b>	<b>Repair and Demolition Fund</b>	<b>TID 65 Fund</b>	<b>TID 62 Fund</b>	<b>TID 61 Fund</b>	<b>TID 63 Fund</b>	<b>TID 59 Fund</b>
<b>ASSETS:</b>								
101 Cash and Cash Equivalents	\$ 31,922.71	\$ 70,356.96	\$ 113,695.03	\$ 7,182.62	\$ 68,826.36	\$ 47,900.99	\$ 1,238.24	\$ 1,247.22
102 Restricted Cash	-	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-	-
110 Property Tax Receivable	410.44	-	-	-	1,093.32	-	-	-
115 Accounts Receivable, Net	-	55,041.40	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	823.34	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	22,489.08	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	13,400.00	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-	-
135 Interest Receivable	22.38	95.97	154.27	9.71	92.99	64.71	1.68	1.68
<b>TOTAL ASSETS</b>	<b>\$ 32,355.53</b>	<b>\$ 125,494.33</b>	<b>\$ 150,561.72</b>	<b>\$ 7,192.33</b>	<b>\$ 70,012.67</b>	<b>\$ 47,965.70</b>	<b>\$ 1,239.92</b>	<b>\$ 1,248.90</b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
201 Claims Payable	-	106,871.62	-	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	-	-	-	-	-	-	-
2xx Wages Payable	-	287.21	-	-	-	-	-	-
224 Deferred Revenue	-	-	35,535.58	-	1,093.32	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>107,158.83</b>	<b>35,535.58</b>	<b>-</b>	<b>1,093.32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>								
261 Reserved For:								
261.16 TIDS - Debt Service	32,355.53	-	-	7,192.33	68,919.35	47,965.70	1,239.92	1,248.90
261.16 Business Improvement District	-	18,335.50	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	115,026.14	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>32,355.53</b>	<b>18,335.50</b>	<b>115,026.14</b>	<b>7,192.33</b>	<b>68,919.35</b>	<b>47,965.70</b>	<b>1,239.92</b>	<b>1,248.90</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,355.53</b>	<b>\$ 125,494.33</b>	<b>\$ 150,561.72</b>	<b>\$ 7,192.33</b>	<b>\$ 70,012.67</b>	<b>\$ 47,965.70</b>	<b>\$ 1,239.92</b>	<b>\$ 1,248.90</b>

**CITY OF RAPID CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>TID 29 Fund</b>	<b>TID 55 Fund</b>	<b>TID 56 Fund</b>	<b>TID 54 Fund</b>	<b>TID 44 Fund</b>	<b>TID 46 Fund</b>	<b>TID 48 Fund</b>
<b>ASSETS:</b>							
101 Cash and Cash Equivalents	\$ 2,505.02	\$ 341,252.38	\$ 239,773.87	\$ 9,349.37	\$ 45,712.51	\$ 160,003.66	\$ 86.17
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	-	12,770.26	1,233.06	30,212.90	1,547.69	14,990.12	-
115 Accounts Receivable, Net	-	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	3.38	344.28	295.31	7.28	46.20	173.53	0.11
<b>TOTAL ASSETS</b>	<b>\$ 2,508.40</b>	<b>\$ 354,366.92</b>	<b>\$ 241,302.24</b>	<b>\$ 39,569.55</b>	<b>\$ 47,306.40</b>	<b>\$ 175,167.31</b>	<b>\$ 86.28</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
201 Claims Payable	-	-	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	491,641.14	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	606,299.63	1,896,000.00	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	-	6,752.11	-	30,212.90	-	1,480.43	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,104,692.88</b>	<b>1,896,000.00</b>	<b>30,212.90</b>	<b>-</b>	<b>1,480.43</b>	<b>-</b>
<b>Fund Balances:</b>							
261 Reserved For:							
261.16 TIDS - Debt Service	2,508.40	-	-	9,356.65	47,306.40	173,686.88	86.28
261.16 Business Improvement District	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	-	-	-	-	-
Debt Service Funds	-	(750,325.96)	(1,654,697.76)	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,508.40</b>	<b>(750,325.96)</b>	<b>(1,654,697.76)</b>	<b>9,356.65</b>	<b>47,306.40</b>	<b>173,686.88</b>	<b>86.28</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,508.40</b>	<b>\$ 354,366.92</b>	<b>\$ 241,302.24</b>	<b>\$ 39,569.55</b>	<b>\$ 47,306.40</b>	<b>\$ 175,167.31</b>	<b>\$ 86.28</b>

**CITY OF RAPID CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>TID 19 Fund</b>	<b>TID 50 Fund</b>	<b>TID 49 Fund</b>	<b>TID 52 Fund</b>	<b>TID 51 Fund</b>	<b>TID 53 Fund</b>	<b>TID 47 Fund</b>
<b>ASSETS:</b>							
101 Cash and Cash Equivalents	\$ 2,568.50	\$ 138,665.78	\$ 328,465.20	\$ 43,404.50	\$ 14,119.54	\$ 1,954.79	\$ 28,281.40
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	6,262.16	3,488.38	18,182.75	-	2,833.88	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	3.47	187.47	456.63	58.64	10.27	2.64	38.21
<b>TOTAL ASSETS</b>	<b>\$ 8,834.13</b>	<b>\$ 142,341.63</b>	<b>\$ 347,104.58</b>	<b>\$ 43,463.14</b>	<b>\$ 16,963.69</b>	<b>\$ 1,957.43</b>	<b>\$ 28,319.61</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
201 Claims Payable	-	-	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	-	188,856.00	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	6,262.16	-	-	-	1,292.44	-	-
<b>Total Liabilities</b>	<b>6,262.16</b>	<b>-</b>	<b>188,856.00</b>	<b>-</b>	<b>1,292.44</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>							
261 Reserved For:							
261.16 TIDS - Debt Service	2,571.97	142,341.63	158,248.58	43,463.14	15,671.25	1,957.43	28,319.61
261.16 Business Improvement District	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,571.97</b>	<b>142,341.63</b>	<b>158,248.58</b>	<b>43,463.14</b>	<b>15,671.25</b>	<b>1,957.43</b>	<b>28,319.61</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,834.13</b>	<b>\$ 142,341.63</b>	<b>\$ 347,104.58</b>	<b>\$ 43,463.14</b>	<b>\$ 16,963.69</b>	<b>\$ 1,957.43</b>	<b>\$ 28,319.61</b>

**CITY OF RAPID CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>TID 36 Fund</b>	<b>TID 38 Fund</b>	<b>TID 39 Fund</b>	<b>TID 40 Fund</b>	<b>TID 41 Fund</b>	<b>TID 42 Fund</b>	<b>TID 43 Fund</b>
<b>ASSETS:</b>							
101 Cash and Cash Equivalents	\$ 188,554.14	\$ 129,716.23	\$ 7,860.05	\$ 6,872.09	\$ 69,990.99	\$ 1,039,342.65	\$ 1,989,413.48
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	50,793.94	14,321.26	-	-	46,525.98	27,891.30	55,869.60
115 Accounts Receivable, Net	-	3,416.41	10.00	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	175.82	153.19	10.62	5.27	580.65	1,404.14	3,131.36
<b>TOTAL ASSETS</b>	<b>\$ 239,523.90</b>	<b>\$ 147,607.09</b>	<b>\$ 7,880.67</b>	<b>\$ 6,877.36</b>	<b>\$ 117,097.62</b>	<b>\$ 1,068,638.09</b>	<b>\$ 2,048,414.44</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
201 Claims Payable	-	-	-	-	-	-	59,137.18
208 Due to Other Funds (see Note 5)	-	-	-	-	193,702.17	1,301,992.63	-
209 Advance from Other Funds (see Note 5)	-	100,000.00	1,191,144.00	-	418,946.48	4,398,007.37	-
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	49,174.64	14,321.26	-	-	36,323.05	24,782.24	-
<b>Total Liabilities</b>	<b>49,174.64</b>	<b>114,321.26</b>	<b>1,191,144.00</b>	<b>-</b>	<b>648,971.70</b>	<b>5,724,782.24</b>	<b>59,137.18</b>
<b>Fund Balances:</b>							
261 Reserved For:							
261.16 TIDS - Debt Service	190,349.26	33,285.83	-	6,877.36	-	-	1,989,277.26
261.16 Business Improvement District	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	-	-	-	-	-
Debt Service Funds	-	-	(1,183,263.33)	-	(531,874.08)	(4,656,144.15)	-
Permanent Funds	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>190,349.26</b>	<b>33,285.83</b>	<b>(1,183,263.33)</b>	<b>6,877.36</b>	<b>(531,874.08)</b>	<b>(4,656,144.15)</b>	<b>1,989,277.26</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 239,523.90</b>	<b>\$ 147,607.09</b>	<b>\$ 7,880.67</b>	<b>\$ 6,877.36</b>	<b>\$ 117,097.62</b>	<b>\$ 1,068,638.09</b>	<b>\$ 2,048,414.44</b>

**CITY OF RAPID CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>Retired Senior Volunteer Fund</b>	<b>Community Development Fund</b>	<b>ARRA Comm Development Fund</b>	<b>Education Loan Fund</b>	<b>Rehabilitation Loan/Grant Fund</b>	<b>TID 35 Fund</b>	<b>Library Board Fund</b>
<b>ASSETS:</b>							
101 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 3,772.50	\$ 78,149.60	\$ 29,161.06	\$ 137,523.46
102 Restricted Cash	7,856.59	1,994.50	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	-	-	-	-	-	-	-
115 Accounts Receivable, Net	-	-	-	9,259.72	-	-	22.00
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	5,694.70	106,623.02	2,191.40	-	-	-	-
135 Interest Receivable	-	-	-	-	-	39.39	-
<b>TOTAL ASSETS</b>	<b>\$ 13,551.29</b>	<b>\$ 108,617.52</b>	<b>\$ 2,191.40</b>	<b>\$ 13,032.22</b>	<b>\$ 78,149.60</b>	<b>\$ 29,200.45</b>	<b>\$ 137,545.46</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
201 Claims Payable	322.74	105,325.66	2,191.40	1,879.49	-	-	6,220.81
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	-	-	-	-	-	-
2xx Wages Payable	3,198.75	3,291.86	-	-	-	-	-
224 Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,521.49</b>	<b>108,617.52</b>	<b>2,191.40</b>	<b>1,879.49</b>	<b>-</b>	<b>-</b>	<b>6,220.81</b>
<b>Fund Balances:</b>							
261 Reserved For:							
261.16 TIDS - Debt Service	-	-	-	-	-	29,200.45	-
261.16 Business Improvement District	-	-	-	-	-	-	-
261.16 RSVP	10,029.80	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	-	11,152.73	78,149.60	-	131,324.65
Debt Service Funds	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>10,029.80</b>	<b>-</b>	<b>-</b>	<b>11,152.73</b>	<b>78,149.60</b>	<b>29,200.45</b>	<b>131,324.65</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,551.29</b>	<b>\$ 108,617.52</b>	<b>\$ 2,191.40</b>	<b>\$ 13,032.22</b>	<b>\$ 78,149.60</b>	<b>\$ 29,200.45</b>	<b>\$ 137,545.46</b>

**CITY OF RAPID CITY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	<b>Cemetery Perpetual Care Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS:</b>		
101 Cash and Cash Equivalents	\$ 23,074.91	\$ 5,401,943.98
102 Restricted Cash	-	9,851.09
151 Investments	47,693.40	47,693.40
110 Property Tax Receivable	-	288,427.04
115 Accounts Receivable, Net	120.02	67,869.55
121 Special Assessments Receivable--Current	-	823.34
122 Special Assessments Receivable--Delinquent	-	22,489.08
123 Special Assessments Receivable--Deferred	-	13,400.00
132 Due from Other Government	-	114,509.12
135 Interest Receivable	-	7,571.25
<b>TOTAL ASSETS</b>	<b>\$ 70,888.33</b>	<b>\$ 5,974,577.85</b>
<b>LIABILITIES AND FUND BALANCES:</b>		
Liabilities:		
201 Claims Payable	10,252.88	292,201.78
208 Due to Other Funds (see Note 5)	-	1,987,335.94
209 Advance from Other Funds (see Note 5)	-	8,799,253.48
2xx Wages Payable	-	6,777.82
224 Deferred Revenue	-	207,230.13
<b>Total Liabilities</b>	<b>10,252.88</b>	<b>11,292,799.15</b>
Fund Balances:		
261 Reserved For:		
261.16 TIDS - Debt Service	-	3,033,430.11
261.16 Business Improvement District	-	18,335.50
261.16 RSVP	-	10,029.80
262 Unreserved Fund Balances:		
262.09 Undesignated, Reported in:		
Special Revenue Funds		335,653.12
Debt Service Funds	-	(8,776,305.28)
Permanent Funds	60,635.45	60,635.45
<b>Total Fund Balances</b>	<b>60,635.45</b>	<b>(5,318,221.30)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 70,888.33</b>	<b>\$ 5,974,577.85</b>



**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>TID 33 Fund</b>	<b>Occupancy Tax Fund</b>	<b>Repair and Demolition Fund</b>	<b>TID 65 Fund</b>	<b>TID 62 Fund</b>	<b>TID 61 Fund</b>	<b>TID 63 Fund</b>	<b>TID 59 Fund</b>	<b>TID 29 Fund</b>
<b>Revenues:</b>									
310 Taxes:									
311 General Property Taxes	\$ 61,428.20	\$ -	\$ -	\$ 7,073.32	\$ 68,130.21	\$ 35,053.31	\$ 1,216.63	\$ -	\$ -
314 Occupancy Tax	-	1,199,731.86	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:									
341 General Government	-	-	1,322.00	-	-	-	-	-	-
342 Public Safety	-	-	190.00	-	-	-	-	-	-
343 Public Works	-	-	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-	-
350 Fines and Forfeitures									
354 Library	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:									
361 Investment Earnings	165.88	3,360.51	2,923.04	119.01	789.14	779.29	23.29	34.25	68.80
363 Special Assessments	-	-	36,084.07	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	61,594.08	1,203,092.37	40,519.11	7,192.33	68,919.35	35,832.60	1,239.92	34.25	68.80
<b>Expenditures:</b>									
410 General Government:									
414 Financial - Finance	-	15,435.66	-	-	-	-	-	-	-
420 Public Safety:									
421 Police	-	-	18,997.00	-	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	-	-	-	-	-	-	-	-	-
470 Debt Service	41,443.26	-	-	-	-	-	-	-	6,168.79
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous									
492 Other Expenditures	-	1,187,132.83	-	-	-	-	-	-	-
Total Expenditures	41,443.26	1,202,568.49	18,997.00	-	-	-	-	-	6,168.79
Excess of Revenue Over (Under)									
Expenditures	20,150.82	523.88	21,522.11	7,192.33	68,919.35	35,832.60	1,239.92	34.25	(6,099.99)
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	10,729.16	-	-	-	-	-	-	-	6,168.79
511 Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	10,729.16	-	-	-	-	-	-	-	6,168.79
Net Change in Fund Balances	30,879.98	523.88	21,522.11	7,192.33	68,919.35	35,832.60	1,239.92	34.25	68.80
Fund Balance - Beginning	1,475.55	17,811.62	93,504.03	-	-	12,133.10	-	1,214.65	2,439.60
FUND BALANCE- ENDING	\$ 32,355.53	\$ 18,335.50	\$ 115,026.14	\$ 7,192.33	\$ 68,919.35	\$ 47,965.70	\$ 1,239.92	\$ 1,248.90	\$ 2,508.40

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>TID 55</b>	<b>TID 56</b>	<b>TID 54</b>	<b>TID 44</b>	<b>TID 46</b>	<b>TID 48</b>	<b>TID 19</b>	<b>TID 50</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>Revenues:</b>								
310 Taxes:								
311 General Property Taxes	\$ 542,237.66	\$ 365,330.02	\$ 172,126.81	\$ 395,007.45	\$ 428,193.65	\$ 13,983.86	\$ 237,662.25	\$ 121,877.55
314 Occupancy Tax	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
341 General Government	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-
343 Public Works	-	531,990.16	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-
350 Fines and Forfeitures								
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	9,678.47	2,422.98	417.43	10,530.21	3,573.22	32.71	617.00	1,933.21
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	<u>551,916.13</u>	<u>899,743.16</u>	<u>172,544.24</u>	<u>405,537.66</u>	<u>431,766.87</u>	<u>14,016.57</u>	<u>238,279.25</u>	<u>123,810.76</u>
<b>Expenditures:</b>								
410 General Government:								
414 Financial - Finance	-	-	-	-	-	-	-	-
420 Public Safety:								
421 Police	-	-	-	-	-	-	-	-
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	-	-	-
470 Debt Service	788,803.83	339,053.50	169,626.89	671,260.59	367,063.71	13,983.86	269,758.10	-
485 Capital Outlay	-	10,417,573.88	-	3,267,354.35	-	-	-	-
490 Miscellaneous								
492 Other Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	<u>788,803.83</u>	<u>10,756,627.38</u>	<u>169,626.89</u>	<u>3,938,614.94</u>	<u>367,063.71</u>	<u>13,983.86</u>	<u>269,758.10</u>	<u>-</u>
Excess of Revenue Over (Under)								
Expenditures	(236,887.70)	(9,856,884.22)	2,917.35	(3,533,077.28)	64,703.16	32.71	(31,478.85)	123,810.76
Other Financing Sources (Uses):								
391.01 Transfers In	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	1,092,637.89	10,084,885.96	-	4,582,064.54	-	-	-	-
511 Transfers Out	(2,190,578.66)	-	-	(1,314,710.19)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,097,940.77)</u>	<u>10,084,885.96</u>	<u>-</u>	<u>3,267,354.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,334,828.47)	228,001.74	2,917.35	(265,722.93)	64,703.16	32.71	(31,478.85)	123,810.76
Fund Balance - Beginning	584,502.51	(1,882,699.50)	6,439.30	313,029.33	108,983.72	53.57	34,050.82	18,530.87
FUND BALANCE- ENDING	<u>\$ (750,325.96)</u>	<u>\$ (1,654,697.76)</u>	<u>\$ 9,356.65</u>	<u>\$ 47,306.40</u>	<u>\$ 173,686.88</u>	<u>\$ 86.28</u>	<u>\$ 2,571.97</u>	<u>\$ 142,341.63</u>

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>TID 49</b>	<b>TID 52</b>	<b>TID 51</b>	<b>TID 53</b>	<b>TID 47</b>	<b>TID 36</b>	<b>TID 38</b>	<b>TID 39</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>Revenues:</b>								
310 Taxes:								
311 General Property Taxes	\$ 318,326.07	\$ 20,678.48	\$ 132,544.40	\$ 65,163.09	\$ 15,636.90	\$ 696,655.38	\$ 322,930.64	\$ 5,294.78
314 Occupancy Tax	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
341 General Government	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-
343 Public Works	-	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-
350 Fines and Forfeitures								
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	4,362.84	754.85	307.45	196.16	597.73	13,143.77	2,722.92	197.55
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	<u>322,688.91</u>	<u>21,433.33</u>	<u>132,851.85</u>	<u>65,359.25</u>	<u>16,234.63</u>	<u>709,799.15</u>	<u>325,653.56</u>	<u>5,492.33</u>
<b>Expenditures:</b>								
410 General Government:								
414 Financial - Finance	-	-	-	-	-	-	-	-
420 Public Safety:								
421 Police	-	-	-	-	-	-	-	-
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	-	-	-
470 Debt Service	-	-	120,466.08	73,297.32	-	800,813.88	314,378.61	33,643.51
485 Capital Outlay	-	-	-	-	-	1,102,920.48	-	-
490 Miscellaneous								
492 Other Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>120,466.08</u>	<u>73,297.32</u>	<u>-</u>	<u>1,903,734.36</u>	<u>314,378.61</u>	<u>33,643.51</u>
Excess of Revenue Over (Under)								
Expenditures	322,688.91	21,433.33	12,385.77	(7,938.07)	16,234.63	(1,193,935.21)	11,274.95	(28,151.18)
Other Financing Sources (Uses):								
391.01 Transfers In	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	7,394.27	-	1,102,920.48	26,990.73	30,996.12
511 Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,394.27</u>	<u>-</u>	<u>1,102,920.48</u>	<u>26,990.73</u>	<u>30,996.12</u>
Net Change in Fund Balances	322,688.91	21,433.33	12,385.77	(543.80)	16,234.63	(91,014.73)	38,265.68	2,844.94
Fund Balance - Beginning	(164,440.33)	22,029.81	3,285.48	2,501.23	12,084.98	281,363.99	(4,979.85)	(1,186,108.27)
FUND BALANCE- ENDING	<u>\$ 158,248.58</u>	<u>\$ 43,463.14</u>	<u>\$ 15,671.25</u>	<u>\$ 1,957.43</u>	<u>\$ 28,319.61</u>	<u>\$ 190,349.26</u>	<u>\$ 33,285.83</u>	<u>\$ (1,183,263.33)</u>

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>TID 40 Fund</b>	<b>TID 41 Fund</b>	<b>TID 42 Fund</b>	<b>TID 43 Fund</b>	<b>Retired Senior Volunteer Fund</b>	<b>Community Development Fund</b>	<b>ARRA Comm Development Fund</b>	<b>Education Loan Fund</b>
<b>Revenues:</b>								
310 Taxes:								
311 General Property Taxes	\$ 94,344.29	\$ 511,015.66	\$ 439,733.20	\$ 1,057,691.36	\$ -	\$ -	\$ -	\$ -
314 Occupancy Tax	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	53,864.96	438,703.75	5,852.40	-
340 Charges for Goods and Services:								
341 General Government	-	-	-	-	-	-	-	23,684.10
342 Public Safety	-	-	-	-	-	-	-	-
343 Public Works	-	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	5,687.71	-	-
350 Fines and Forfeitures								
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	226.71	8,730.99	21,536.98	42,485.66	-	-	-	-
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	59,019.53	-	-	1,327.20
Total Revenue	<u>94,571.00</u>	<u>519,746.65</u>	<u>461,270.18</u>	<u>1,100,177.02</u>	<u>112,884.49</u>	<u>444,391.46</u>	<u>5,852.40</u>	<u>25,011.30</u>
<b>Expenditures:</b>								
410 General Government:								
414 Financial - Finance	-	-	-	-	-	-	-	-
420 Public Safety:								
421 Police	-	-	-	-	-	-	-	-
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	106,971.64	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	391,997.36	5,852.40	-
470 Debt Service	106,809.46	330,205.95	-	197,841.76	-	-	-	-
485 Capital Outlay	-	-	-	(91,434.25)	-	-	-	-
490 Miscellaneous								
492 Other Expenditures	-	-	-	-	-	-	-	25,772.74
Total Expenditures	<u>106,809.46</u>	<u>330,205.95</u>	<u>-</u>	<u>106,407.51</u>	<u>106,971.64</u>	<u>391,997.36</u>	<u>5,852.40</u>	<u>25,772.74</u>
Excess of Revenue Over (Under)								
Expenditures	(12,238.46)	189,540.70	461,270.18	993,769.51	5,912.85	52,394.10	-	(761.44)
Other Financing Sources (Uses):								
391.01 Transfers In	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	12,742.50	-	-	-	-	-	-	-
511 Transfers Out	-	-	(5,350,000.00)	(59,423.36)	-	-	-	-
Total Other Financing Sources (Uses)	<u>12,742.50</u>	<u>-</u>	<u>(5,350,000.00)</u>	<u>(59,423.36)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	504.04	189,540.70	(4,888,729.82)	934,346.15	5,912.85	52,394.10	-	(761.44)
Fund Balance - Beginning	6,373.32	(721,414.78)	232,585.67	1,054,931.11	4,116.95	(52,394.10)	-	11,914.17
FUND BALANCE- ENDING	<u>\$ 6,877.36</u>	<u>\$ (531,874.08)</u>	<u>\$ (4,656,144.15)</u>	<u>\$ 1,989,277.26</u>	<u>\$ 10,029.80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,152.73</u>

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Rehabilitation Loan/Grant Fund	TID 35 Fund	Library Board Fund	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
310 Taxes:					
311 General Property Taxes	\$ -	\$ 61,938.32	\$ -	\$ -	\$ 6,191,273.49
314 Occupancy Tax	-	-	-	-	1,199,731.86
331 Federal Grants	-	-	-	-	498,421.11
340 Charges for Goods and Services:					
341 General Government	-	-	-	-	25,006.10
342 Public Safety	-	-	-	-	190.00
343 Public Works	-	-	-	-	531,990.16
346 Culture and Recreation	-	-	-	-	-
348 Cemetery	-	-	-	2,842.77	2,842.77
349 Other-Conservation & Development	40,570.13	-	-	-	46,257.84
350 Fines and Forfeitures					
354 Library	-	-	110,175.42	-	110,175.42
360 Miscellaneous Revenue:					
361 Investment Earnings	6.47	206.29	-	-	132,944.81
363 Special Assessments	-	-	-	-	36,084.07
367 Contributions and Donations	-	-	-	-	60,346.73
Total Revenue	40,576.60	62,144.61	110,175.42	2,842.77	8,835,264.36
<b>Expenditures:</b>					
410 General Government:					
414 Financial - Finance	-	-	-	-	15,435.66
420 Public Safety:					
421 Police	-	-	-	-	18,997.00
450 Culture and Recreation:					
455 Libraries	-	-	72,031.53	-	72,031.53
Retired Senior Volunteers	-	-	-	-	106,971.64
Cemetery	-	-	-	392.00	392.00
460 Conservation and Development:					
463 Community Development	22,861.29	-	-	-	420,711.05
470 Debt Service	-	43,151.56	-	-	4,687,770.66
485 Capital Outlay	-	-	-	-	14,696,414.46
490 Miscellaneous					
492 Other Expenditures	-	-	-	-	1,212,905.57
Total Expenditures	22,861.29	43,151.56	72,031.53	392.00	21,231,629.57
Excess of Revenue Over (Under) Expenditures	17,715.31	18,993.05	38,143.89	2,450.77	(12,396,365.21)
Other Financing Sources (Uses):					
391.01 Transfers In	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	16,957,530.44
511 Transfers Out	-	-	(41,128.00)	(10,252.88)	(8,966,093.09)
Total Other Financing Sources (Uses)	-	-	(41,128.00)	(10,252.88)	7,991,437.35
Net Change in Fund Balances	17,715.31	18,993.05	(2,984.11)	(7,802.11)	(4,404,927.86)
Fund Balance - Beginning	60,434.29	10,207.40	134,308.76	68,437.56	(913,293.44)
FUND BALANCE- ENDING	\$ 78,149.60	\$ 29,200.45	\$ 131,324.65	\$ 60,635.45	\$ (5,318,221.30)

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**CITY OF RAPID CITY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PROPRIETARY FUND**  
**DECEMBER 31, 2009**

	<b>Solid Waste Collection Fund</b>	<b>Solid Waste Disposal Fund</b>	<b>Executive Golf Course Fund</b>	<b>Cemetery Enterprise Fund</b>
<b>ASSETS:</b>				
Current Assets:				
101 Cash and Cash Equivalents	\$ 960,557.14	\$ 392,395.53	\$ -	\$ 47,140.06
106 Cash with Fiscal Agent	2,079,970.26	-	-	-
107 Restricted Cash	-	1,289,230.66	-	-
151 Investments	-	3,800,469.90	-	21,867.36
115 Accounts Receivable	257,678.08	261,461.66	-	8,613.48
116 Estimated Uncollectable Accounts Receivable	(12,000.00)	(38,000.00)	-	-
131 Due from Other Funds	-	154,606.44	-	-
132 Due from Other Governments	-	-	-	-
135 Interest Receivable	1,655.99	7,500.06	0.59	223.87
155 Prepaid Expenses	-	-	-	-
Total Current Assets	<u>3,287,861.47</u>	<u>5,867,664.25</u>	<u>0.59</u>	<u>77,844.77</u>
Noncurrent Assets:				
Capital Assets:				
160 Land	138,430.38	1,956,982.84	596,356.14	24,151.00
162 Buildings	-	417,873.33	148,612.45	22,954.01
164 Improvements Other than Bldg	702,556.36	614,344.02	1,128,679.93	550,879.01
164 Furniture & Equipment	-	1,083,855.04	77,409.00	116,347.12
166 Machinery and Equipment	2,286,392.82	2,281,385.00	6,449.00	118,632.14
168 Construction Work in Progress	-	65,060.40	24,083.65	-
Less: Accumulated Depreciation	<u>(1,847,597.43)</u>	<u>(1,966,292.08)</u>	<u>(759,875.15)</u>	<u>(462,645.50)</u>
Total Noncurrent Assets	<u>1,279,782.13</u>	<u>4,453,208.55</u>	<u>1,221,715.02</u>	<u>370,317.78</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,567,643.60</u></u>	<u><u>\$ 10,320,872.80</u></u>	<u><u>\$ 1,221,715.61</u></u>	<u><u>\$ 448,162.55</u></u>
<b>LIABILITIES:</b>				
Current Liabilities:				
202 Accounts Payable	\$ 30,801.97	\$ 86,541.65	\$ 1,866.76	\$ 2,656.56
208 Due to Other Funds	-	-	3,492.10	-
215 Accrued Interest Payable	3,613.42	267.88	-	-
2xx Wages Payable	25,830.08	13,784.41	3,432.19	4,365.46
226 OPEB Current Obligations	6,968.06	4,000.28	1,056.16	1,253.85
226 Bonds Payable Current:	-	26,861.88	-	-
226 Capital Lease Payable Current	265,509.21	-	-	-
230 Compensated Absences Payable -- Current	<u>3,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>336,222.74</u>	<u>131,456.10</u>	<u>9,847.21</u>	<u>8,275.87</u>
Noncurrent Liabilities:				
209 Advance from Other Funds	-	-	-	-
231 OPEB Long-Term Obligations	18,098.59	10,390.18	2,743.25	3,256.71
231 Bonds Payable:	-	-	-	-
231 Capital Lease Payable	1,814,450.79	-	-	-
233 Accrued Leave Payable	40,159.31	13,109.58	3,027.59	8,528.65
235 Accrued Landfill Closure and Postclosure	<u>-</u>	<u>1,289,230.66</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,872,708.69</u>	<u>1,312,730.42</u>	<u>5,770.84</u>	<u>11,785.36</u>
<b>NET ASSETS:</b>				
253.10 Invested in Capital Assets, Net of Related Debt	(800,177.87)	4,426,346.67	1,221,715.02	370,317.78
253.20 Restricted Net Assets, Restricted for:				
253.22 Revenue Bond Retirement	-	-	-	-
253.90 Unrestricted Net Assets	<u>3,158,890.04</u>	<u>4,450,339.61</u>	<u>(15,617.46)</u>	<u>57,783.54</u>
Total Net Assets	<u>2,358,712.17</u>	<u>8,876,686.28</u>	<u>1,206,097.56</u>	<u>428,101.32</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,567,643.60</u></u>	<u><u>\$ 10,320,872.80</u></u>	<u><u>\$ 1,221,715.61</u></u>	<u><u>\$ 448,162.55</u></u>

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 135,821.79	\$ 63,281.51	\$ -	\$ 1,142,765.46	\$ 103,209.52	\$ 2,845,171.01
-	243,356.59	-	-	-	2,323,326.85
-	-	-	-	-	1,289,230.66
	342,840.15				4,165,177.41
2,389.54	218,887.89	28,216.43	5,580,729.00	186.89	6,358,162.97
-	(121,328.69)	-	(4,263,102.05)	-	(4,434,430.74)
3,492.10	-	-	-	-	158,098.54
-	-	44,026.75	-	-	44,026.75
135.32	2,447.49	-	1,554.94	308.75	13,827.01
-	43,565.81	-	-	-	43,565.81
141,838.75	793,050.75	72,243.18	2,461,947.35	103,705.16	12,806,156.27
1,424,241.50	2,212,498.99	-	-	267,567.00	6,620,227.85
1,505,898.57	4,908,331.31	776,570.53	30,659.04	916,934.11	8,727,833.35
1,568,061.18	487,832.95	-	-	7,439.00	5,059,792.45
525,815.74	-	96,499.06	273,004.85	-	2,172,930.81
200,139.00	16,025.00	20,557.00	1,061,388.07	-	5,990,968.03
-	-	-	-	530,160.60	619,304.65
(1,596,762.86)	(889,383.99)	(481,836.59)	(434,811.97)	(441,625.37)	(8,880,830.94)
3,627,393.13	6,735,304.26	411,790.00	930,239.99	1,280,475.34	20,310,226.20
\$ 3,769,231.88	\$ 7,528,355.01	\$ 484,033.18	\$ 3,392,187.34	\$ 1,384,180.50	\$ 33,116,382.47
\$ 11,577.67	\$ 8,156.01	\$ 4,915.23	\$ 56,907.29	\$ 5,227.45	\$ 208,650.59
46,012.69	-	154,606.44	95,544.91	-	299,656.14
293.82	716.49	-	18,822.77	-	23,714.38
7,133.90	-	14,053.48	6,570.58	-	75,170.10
2,101.47	-	3,407.00	17,507.71	-	36,294.53
-	74,407.36	-	-	-	101,269.24
7,812.99	-	-	125,643.00	-	398,965.20
-	-	3,500.00	-	-	7,000.00
74,932.54	83,279.86	180,482.15	320,996.26	5,227.45	1,150,720.18
79,898.87	-	-	158,999.76	-	238,898.63
5,458.30	-	8,849.21	45,473.91	-	94,270.15
-	2,349,332.59	-	-	-	2,349,332.59
111,344.89	-	-	413,243.00	-	2,339,038.68
20,497.88	-	61,617.29	81,482.54	-	228,422.84
-	-	-	-	-	1,289,230.66
217,199.94	2,349,332.59	70,466.50	699,199.21	-	6,539,193.55
3,508,235.25	4,311,564.31	411,790.00	391,353.99	1,280,475.34	15,121,620.49
-	243,356.59	-	-	-	243,356.59
(31,135.85)	540,821.66	(178,705.47)	1,980,637.88	98,477.71	10,061,491.66
3,477,099.40	5,095,742.56	233,084.53	2,371,991.87	1,378,953.05	25,426,468.74
\$ 3,769,231.88	\$ 7,528,355.01	\$ 484,033.18	\$ 3,392,187.34	\$ 1,384,180.50	\$ 33,116,382.47



**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR YEAR ENDED DECEMBER 31, 2009**

	<b>Solid Waste Collection Fund</b>	<b>Solid Waste Disposal Fund</b>	<b>Executive Golf Course Fund</b>	<b>Cemetery Enterprise Fund</b>
<b>Operating Revenue:</b>				
380 Charges for Goods and Services	\$ 2,276,552.59	\$ 2,574,165.42	\$ 139,366.39	\$ 133,273.29
381 Revenues used as Security for Revenue Bonds	-	-	-	-
Total Operating Revenue	2,276,552.59	2,574,165.42	139,366.39	133,273.29
<b>Operating Expenses:</b>				
410 Personal Services	829,347.17	451,310.37	133,173.36	161,804.66
420 Other Current Expense	656,889.80	1,699,913.71	81,916.54	58,845.58
426.2 Materials (Cost of Goods Sold)	-	-	-	-
457 Depreciation	227,131.16	284,931.45	18,382.21	33,572.91
Total Operating Expenses	1,713,368.13	2,436,155.53	233,472.11	254,223.15
Operating Income (Loss)	563,184.46	138,009.89	(94,105.72)	(120,949.86)
<b>Nonoperating Revenue (Expense):</b>				
361 Investment Earnings	26,350.29	134,035.48	911.04	4,302.43
470 Interest Expense and Fiscal Charges	(5,967.12)	(3,822.68)	-	-
(492)366 Gain (Loss) on Disposition of Capital Assets	-	9,925.15	-	1,535.62
369.01 Other	-	68,876.25	-	-
Total Nonoperating Revenue (Expense)	20,383.17	209,014.20	911.04	5,838.05
Income (Loss) Before Transfers	583,567.63	347,024.09	(93,194.68)	(115,111.81)
369.1 Contributions (to) from Others	-	(1,747.90)	-	-
391.1 Transfers In	-	-	61,083.65	83,535.88
511 Transfers Out	(95.00)	(774,039.00)	-	(794.00)
Net Contributions and Transfers	(95.00)	(775,786.90)	61,083.65	82,741.88
Change in Net Assets	583,472.63	(428,762.81)	(32,111.03)	(32,369.93)
Net Assets - Beginning	1,775,239.54	9,305,449.09	1,238,208.59	460,471.25
NET ASSETS - ENDING	\$ 2,358,712.17	\$ 8,876,686.28	\$ 1,206,097.56	\$ 428,101.32

*Enterprise Funds*

<b>Golf Course Enterprise Fund</b>	<b>Parking Lot Enterprise Fund</b>	<b>Energy Plant Enterprise Fund</b>	<b>Ambulance Enterprise Fund</b>	<b>Transportation Terminal Fund</b>	<b>Totals</b>
\$ 992,481.03	\$ -	\$ 284,477.68	\$ 2,677,049.10	\$ 29,854.42	\$ 9,107,219.92
-	664,490.15	-	-	-	664,490.15
992,481.03	664,490.15	284,477.68	2,677,049.10	29,854.42	9,771,710.07
320,710.70	132,083.28	378,675.21	1,918,127.31	-	4,325,232.06
624,150.72	215,118.55	(138,008.62)	578,304.29	84,441.81	3,861,572.38
-	-	-	-	-	-
74,105.75	56,327.65	19,567.97	121,749.68	16,513.89	852,282.67
1,018,967.17	403,529.48	260,234.56	2,618,181.28	100,955.70	9,039,087.11
(26,486.14)	260,960.67	24,243.12	58,867.82	(71,101.28)	732,622.96
3,958.73	6,357.08	-	39,971.73	4,112.74	219,999.52
(12,079.76)	(173,724.53)	-	(22,808.65)	-	(218,402.74)
-	-	-	(124,374.64)	-	(112,913.87)
-	-	-	-	-	68,876.25
(8,121.03)	(167,367.45)	-	(107,211.56)	4,112.74	(42,440.84)
(34,607.17)	93,593.22	24,243.12	(48,343.74)	(66,988.54)	690,182.12
-	-	-	-	-	(1,747.90)
-	-	-	-	589,393.60	734,013.13
(19,460.00)	(18,749.00)	(3,148.00)	-	(4,656.00)	(820,941.00)
(19,460.00)	(18,749.00)	(3,148.00)	-	584,737.60	(88,675.77)
(54,067.17)	74,844.22	21,095.12	(48,343.74)	517,749.06	601,506.35
3,531,166.57	5,020,898.34	211,989.41	2,420,335.61	861,203.99	24,824,962.39
\$ 3,477,099.40	\$ 5,095,742.56	\$ 233,084.53	\$ 2,371,991.87	\$ 1,378,953.05	\$ 25,426,468.74

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR YEAR ENDED DECEMBER 31, 2009**

	<b>Solid Waste Collection Fund</b>	<b>Solid Waste Disposal Fund</b>	<b>Executive Golf Course Fund</b>	<b>Cemetery Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipt from Customers	\$ 2,229,348.00	\$ 2,906,326.48	\$ 139,366.39	\$ 145,229.10
Receipt from Interfund Services Provided	-	-	3,492.10	-
Payments to Suppliers	(656,681.34)	(1,626,523.84)	(81,064.12)	(57,774.22)
Payments to Employees	(806,159.68)	(441,549.13)	(130,720.15)	(157,446.49)
Internal Activity - Payment to Other Funds	(67,248.48)	(116,671.40)	-	-
Net Cash Provided (Used) by Operating Activities	699,258.50	721,582.11	(68,925.78)	(69,991.61)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating Subsidies	-	-	-	-
Transfers In	-	-	61,083.65	83,535.88
Transfers Out	(95.00)	(774,039.00)	-	(794.00)
Net Cash Provided (Used) by Operating Subsidies and Transfers	(95.00)	(774,039.00)	61,083.65	82,741.88
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of Capital Assets	(328,990.00)	(816,124.10)	(24,083.65)	(10,252.88)
Principal Paid on Capital Debt	-	(178,289.54)	-	-
Proceeds of Capital Debt Issued	2,079,960.00	-	-	-
Interest Paid on Capital Debt	(2,353.70)	(6,668.94)	-	-
Proceeds from Sale of Assets	-	-	-	-
Other Receipts (Payments)	-	68,876.25	-	-
Net Cash (Used) by capital and related financing Activities	1,748,616.30	(932,206.33)	(24,083.65)	(10,252.88)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Earnings	24,694.30	139,651.34	947.20	5,163.48
Deposits to Investments	-	(500,000.00)	-	-
Withdrawal from Investments	-	-	-	-
Net Cash Provided by Investing Activities	24,694.30	(360,348.66)	947.20	5,163.48
Net Increase (Decrease) in Cash and Cash Equivalents	2,472,474.10	(1,345,011.88)	(30,978.58)	7,660.87
Balances - Beginning	568,053.30	3,026,638.07	30,978.58	39,479.19
Balances- Ending	\$ 3,040,527.40	\$ 1,681,626.19	\$ (0.00)	\$ 47,140.06
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 563,184.46	\$ 138,009.89	\$ (94,105.72)	\$ (120,949.86)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	227,131.16	284,931.45	18,382.21	33,572.91
Landfill Closure and Postclosure Costs		86,133.36		
Change in Assets and Liabilities:				
Receivables	(47,204.59)	332,161.06	-	11,955.81
Due from Other Funds		(116,671.40)		
Prepaid Expenses	-	-	-	-
Due to Other Funds	(67,248.48)	-	3,492.10	-
Accounts and Other Payables	208.46	(12,743.49)	852.42	1,071.36
Accrued Wages Payable	4,920.41	2,373.47	494.50	1,455.85
Accrued Leave Payable	5,824.89	1,123.71	278.49	1,109.22
Accrued Other Post Employment Benefits	12,442.19	6,264.06	1,680.22	1,793.10
Net Cash Provided (Used) by Operating Activities	\$ 699,258.50	\$ 721,582.11	\$ (68,925.78)	\$ (69,991.61)
Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ -	\$ 9,925.15	\$ -	\$ 1,535.62
Transfer/Contribution of Assets	\$ -	\$ (1,747.90)	\$ -	\$ -

Enterprise Funds						
Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals	
\$ 992,903.15	\$ 649,225.46	\$ 317,518.71	\$ 2,856,921.18	\$ 29,871.78	\$ 10,266,710.25	
-	-	-	-	-	3,492.10	
(621,526.90)	(437,278.61)	93,601.58	(558,456.69)	(81,703.31)	(4,027,407.45)	
(314,414.41)	(147,833.80)	(358,687.07)	(1,907,373.58)	-	(4,264,184.31)	
(3,492.10)	(2,247,920.21)	(28,728.22)	-	-	(2,464,060.41)	
53,469.74	(2,183,807.16)	23,705.00	391,090.91	(51,831.53)	(485,449.82)	
-	-	-	-	-	-	
-	-	-	-	60,733.00	205,352.53	
(19,460.00)	(18,749.00)	(3,148.00)	-	(4,656.00)	(820,941.00)	
(19,460.00)	(18,749.00)	(3,148.00)	-	56,077.00	(615,588.47)	
(23,950.00)	(225,114.54)	(20,557.00)	(758,038.00)	(1,500.00)	(2,208,610.17)	
(7,072.43)	(29,407.36)	-	(198,353.35)	-	(413,122.68)	
-	-	-	538,886.00	-	2,618,846.00	
(12,304.69)	(178,447.92)	-	(9,383.62)	-	(209,158.87)	
-	-	-	-	-	-	
-	-	-	-	-	68,876.25	
(43,327.12)	(432,969.82)	(20,557.00)	(426,888.97)	(1,500.00)	(143,169.47)	
4,039.48	(22,179.30)	-	40,287.02	3,996.60	196,600.12	
-	-	-	-	-	(500,000.00)	
-	500,000.00	-	-	-	500,000.00	
4,039.48	477,820.70	-	40,287.02	3,996.60	196,600.12	
(5,277.90)	(2,157,705.28)	0.00	4,488.96	6,742.07	(1,047,607.64)	
141,099.69	2,464,343.38	-	1,138,276.50	96,467.45	7,505,336.16	
\$ 135,821.79	\$ 306,638.10	\$ 0.00	\$ 1,142,765.46	\$ 103,209.52	\$ 6,457,728.52	

\$ (26,486.14)	\$ 260,960.67	\$ 24,243.12	\$ 58,867.82	\$ (71,101.28)	\$ 732,622.96	
74,105.75	56,327.65	19,567.97	121,749.68	16,513.89	852,282.67	
-	-	-	-	-	86,133.36	
422.12	(15,264.69)	33,041.03	179,872.08	17.36	495,000.18	
(3,492.10)	-	-	-	-	(120,163.50)	
-	2,292.94	-	-	-	2,292.94	
-	(2,247,920.21)	(28,728.22)	-	-	(2,340,404.81)	
2,623.82	(224,453.00)	(44,407.04)	19,847.60	2,738.50	(254,261.37)	
999.30	(4,394.69)	2,040.44	(22,357.68)	-	(14,468.40)	
1,913.18	(8,094.81)	12,553.93	4,916.16	-	19,624.77	
3,383.81	(3,261.02)	5,393.77	28,195.25	-	55,891.38	
\$ 53,469.74	\$ (2,183,807.16)	\$ 23,705.00	\$ 391,090.91	\$ (51,831.53)	\$ (485,449.82)	

\$ -	\$ -	\$ -	\$ (124,374.64)	\$ -	\$ (112,913.87)	
\$ -	\$ -	\$ -	\$ -	\$ 528,660.60	\$ 526,912.70	

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2009**

	<b>Medical Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Dental Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Totals</b>
<b>ASSETS:</b>						
Current Assets:						
101 Cash and Cash Equivalents	\$ 5,607,156.85	\$ 1,764,182.91	\$ 125,844.69	\$ 100,637.34	\$ 257,097.07	\$ 7,854,918.86
115 Accounts Receivable	556,616.50	-	-	10,329.18	-	566,945.68
151 Investments	-	-	162,516.60	-	1,434,545.90	1,597,062.50
135 Interest Receivable	7,660.47	2,316.17	-	138.40	2,016.30	12,131.34
<b>TOTAL ASSETS</b>	<b>\$ 6,171,433.82</b>	<b>\$ 1,766,499.08</b>	<b>\$ 288,361.29</b>	<b>\$ 111,104.92</b>	<b>\$ 1,693,659.27</b>	<b>\$ 10,031,058.38</b>
<b>LIABILITIES:</b>						
Current Liabilities:						
202 Accounts Payable	\$ 435,021.24	\$ 436,707.97	\$ 10,765.09	\$ 11,258.00	\$ 1,349,598.31	\$ 2,243,350.61
2xx Wages Payable	-	3,162.78	-	-	-	3,162.78
<b>Total Current Liabilities</b>	<b>435,021.24</b>	<b>439,870.75</b>	<b>10,765.09</b>	<b>11,258.00</b>	<b>1,349,598.31</b>	<b>2,246,513.39</b>
<b>NET ASSETS:</b>						
253.90 Unrestricted Net Assets	5,736,412.58	1,326,628.33	277,596.20	99,846.92	344,060.96	7,784,544.99
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,171,433.82</b>	<b>\$ 1,766,499.08</b>	<b>\$ 288,361.29</b>	<b>\$ 111,104.92</b>	<b>\$ 1,693,659.27</b>	<b>\$ 10,031,058.38</b>

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Medical Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Dental Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Totals</b>
<b>Operating Revenue:</b>						
380 Charges for Goods and Services	\$ 6,207,721.63	\$ 813,988.46	\$ 34,752.00	\$ 122,192.58	\$ 582,621.63	\$ 7,761,276.30
<b>Operating Expenses:</b>						
410 Personal Services	-	84,992.06	-	-	-	84,992.06
420 Other Current Expense	4,755,992.31	404,648.31	42,318.92	135,579.36	391,798.29	5,730,337.19
Total Operating Expenses	4,755,992.31	489,640.37	42,318.92	135,579.36	391,798.29	5,815,329.25
Operating Income (Loss)	1,451,729.32	324,348.09	(7,566.92)	(13,386.78)	190,823.34	1,945,947.05
<b>Nonoperating Revenue (Expense):</b>						
361 Investment Earnings (Loss)	140,025.50	38,375.78	-	2,837.18	16,509.90	197,748.36
360 Transfer In/Out	-	-	-	-	-	-
Change in Net Assets	1,591,754.82	362,723.87	(7,566.92)	(10,549.60)	207,333.24	2,143,695.41
Net Assets - Beginning	4,144,657.76	963,904.46	285,163.12	110,396.52	136,727.72	5,640,849.58
NET ASSETS - ENDING	\$ 5,736,412.58	\$ 1,326,628.33	\$ 277,596.20	\$ 99,846.92	\$ 344,060.96	\$ 7,784,544.99

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR YEAR ENDED DECEMBER 31, 2009**

	<b>Medical Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Dental Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from Interfund Services Provided	\$ 6,160,326.43	\$ 813,988.46	\$ 34,752.00	\$ 120,219.85	\$ 583,219.12	\$ 7,712,505.86
Payments for Claims & Services	(5,011,301.82)	(404,245.79)	(36,473.16)	(130,464.16)	(624,873.23)	(6,207,358.16)
Net Cash Provided (Used) by Operating Activities	1,149,024.61	409,742.67	(1,721.16)	(10,244.31)	(41,654.11)	1,505,147.70
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest Earnings	139,189.59	38,054.39	854.54	2,867.48	38,432.91	219,398.91
Net Cash Provided by Investing Activities	139,189.59	38,054.39	854.54	2,867.48	38,432.91	219,398.91
Net Increase (Decrease) in Cash and Cash Equivalents	1,288,214.20	447,797.06	(866.62)	(7,376.83)	(3,221.20)	1,724,546.61
Balances - Beginning	4,318,942.65	1,316,385.85	126,711.31	108,014.17	260,318.27	6,130,372.25
Balances- Ending	\$ 5,607,156.85	\$ 1,764,182.91	\$ 125,844.69	\$ 100,637.34	\$ 257,097.07	\$ 7,854,918.86
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating Income (Loss)	\$ 1,451,729.32	\$ 324,348.09	\$ (7,566.92)	\$ (13,386.78)	\$ 190,823.34	\$ 1,945,947.05
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:						
Accounts Receivable	(47,395.20)	-	-	(1,972.73)	597.49	(48,770.44)
Accounts Payables	(255,309.51)	84,945.12	5,845.76	5,115.20	(233,074.94)	(392,478.37)
Wages Payable	-	449.46	-	-	-	449.46
Net Cash Provided (Used) by Operating Activities	\$ 1,149,024.61	\$ 409,742.67	\$ (1,721.16)	\$ (10,244.31)	\$ (41,654.11)	\$ 1,505,147.70

**CITY OF RAPID CITY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2009**

	<b>Deposits Held For Others Fund</b>	<b>Payroll Withholding Fund</b>	<b>Section 125 Fund</b>	<b>Total</b>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 642,108.39	\$ 287,217.68	\$ 40,115.77	\$ 969,441.84
Investments	332,701.25			332,701.25
<b>TOTAL ASSETS</b>	<b>\$ 974,809.64</b>	<b>\$ 287,217.68</b>	<b>\$ 40,115.77</b>	<b>\$ 1,302,143.09</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$ -	\$ 97,260.08	\$ -	\$ 97,260.08
Due to Other Organizations	974,809.64	189,957.60	40,115.77	1,204,883.01
<b>Total Liabilities</b>	<b>\$ 974,809.64</b>	<b>\$ 287,217.68</b>	<b>\$ 40,115.77</b>	<b>\$ 1,302,143.09</b>



**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 33 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 61,566.51	\$ 61,428.20
360 Miscellaneous Revenue:		
361 Investment Earnings	-	165.88
Total Revenue	<u>61,566.51</u>	<u>61,594.08</u>
<b>Expenditures:</b>		
470 Debt Service	<u>61,566.51</u>	<u>41,443.26</u>
Total Expenditures	<u>61,566.51</u>	<u>41,443.26</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>20,150.82</u>
Net Change in Fund Balances	-	20,150.82
Fund Balance - Beginning	1,475.55	1,475.55
FUND BALANCE- ENDING	<u>\$ 1,475.55</u>	<u>\$ 21,626.37</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**OCCUPANCY TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
314 Occupancy Tax	\$ 1,324,620.56	\$ 1,199,731.86
360 Miscellaneous Revenue:		
361 Interest Earnings	-	3,360.51
Total Revenue	<u>1,324,620.56</u>	<u>1,203,092.37</u>
<b>Expenditures:</b>		
410 General Government:		
414 Financial - Finance	\$ 70,320.56	15,435.66
490 Other Expenditures		
492 Other Expenditures	1,254,300.00	1,187,132.83
Total Expenditures	<u>1,324,620.56</u>	<u>1,202,568.49</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>523.88</u>
Net Change in Fund Balances	-	523.88
Fund Balance - Beginning	17,811.62	17,811.62
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 17,811.62</u></u>	<u><u>\$ 18,335.50</u></u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
REPAIR AND DEMOLITION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
340 Charges for Goods and Services:		
341 General Government	\$ -	1,322.00
342 Public Safety	50,000.00	190.00
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2,923.04
363 Special Assessments	-	36,084.07
Total Revenue	<u>50,000.00</u>	<u>40,519.11</u>
<b>Expenditures:</b>		
420 Public Safety		
421 Police	50,000.00	18,997.00
Total Expenditures	<u>50,000.00</u>	<u>18,997.00</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>21,522.11</u>
Net Change in Fund Balances	-	21,522.11
Fund Balance - Beginning	93,504.03	93,504.03
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 93,504.03</u></u>	<u><u>\$ 115,026.14</u></u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 65 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 7,179.42	\$ 7,073.32
360 Miscellaneous Revenue:		
361 Investment Earnings	-	119.01
Total Revenue	<u>7,179.42</u>	<u>7,192.33</u>
<b>Expenditures:</b>		
470 Debt Service	<u>7,179.42</u>	-
Total Expenditures	<u>7,179.42</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>7,192.33</u>
Net Change in Fund Balances	-	7,192.33
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 7,192.33</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 62 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 68,795.66	\$ 68,130.21
360 Miscellaneous Revenue:		
361 Investment Earnings	-	789.14
Total Revenue	<u>68,795.66</u>	<u>68,919.35</u>
<b>Expenditures:</b>		
470 Debt Service	<u>68,795.66</u>	-
Total Expenditures	<u>68,795.66</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>68,919.35</u>
Net Change in Fund Balances	-	68,919.35
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 68,919.35</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 61 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 35,771.61	\$ 35,053.31
360 Miscellaneous Revenue:		
361 Investment Earnings	-	779.29
Total Revenue	<u>35,771.61</u>	<u>35,832.60</u>
<b>Expenditures:</b>		
470 Debt Service	<u>35,771.61</u>	-
Total Expenditures	<u>35,771.61</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>35,832.60</u>
Net Change in Fund Balances	-	35,832.60
Fund Balance - Beginning	12,133.10	12,133.10
FUND BALANCE- ENDING	<u>\$ 12,133.10</u>	<u>\$ 47,965.70</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 63 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 1,237.69	\$ 1,216.63
360 Miscellaneous Revenue:		
361 Investment Earnings	-	23.29
Total Revenue	<u>1,237.69</u>	<u>1,239.92</u>
<b>Expenditures:</b>		
470 Debt Service	<u>1,237.69</u>	-
Total Expenditures	<u>1,237.69</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>1,239.92</u>
Net Change in Fund Balances	-	1,239.92
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 1,239.92</u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
TID 59 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 34.52	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	34.25
Total Revenue	<u>34.52</u>	<u>34.25</u>
<b>Expenditures:</b>		
470 Debt Service	34.52	-
Total Expenditures	<u>34.52</u>	<u>-</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>34.25</u>
Net Change in Fund Balances	-	34.25
Fund Balance - Beginning	1,214.65	1,214.65
FUND BALANCE- ENDING	<u>\$ 1,214.65</u>	<u>\$ 1,248.90</u>



**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 29 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 69.35	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	68.80
Total Revenue	<u>69.35</u>	<u>68.80</u>
<b>Expenditures:</b>		
470 Debt Service	<u>69.35</u>	<u>6,168.79</u>
Total Expenditures	<u>69.35</u>	<u>6,168.79</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(6,099.99)</u>
Net Change in Fund Balances	-	(6,099.99)
Fund Balance - Beginning	2,439.60	2,439.60
FUND BALANCE- ENDING	<u>\$ 2,439.60</u>	<u>\$ (3,660.39)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 55 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 899,377.88	\$ 542,237.66
360 Miscellaneous Revenue:		
361 Investment Earnings	-	9,678.47
Total Revenue	<u>899,377.88</u>	<u>551,916.13</u>
<b>Expenditures:</b>		
470 Debt Service	<u>899,377.88</u>	<u>788,803.83</u>
Total Expenditures	<u>899,377.88</u>	<u>788,803.83</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(236,887.70)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	1,092,637.89	1,092,637.89
511 Transfers Out	<u>(1,092,637.89)</u>	<u>(2,190,578.66)</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(1,097,940.77)</u>
Net Change in Fund Balances	-	(1,334,828.47)
Fund Balance - Beginning	584,502.51	584,502.51
FUND BALANCE- ENDING	<u>\$ 584,502.51</u>	<u>\$ (750,325.96)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 56 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 898,396.96	\$ 365,330.02
340 Charges for Goods & Services		
343 Public Works	-	531,990.16
360 Miscellaneous Revenue:		
361 Investment Earnings	-	2,422.98
Total Revenue	<u>898,396.96</u>	<u>899,743.16</u>
<b>Expenditures:</b>		
470 Debt Service	898,396.96	339,053.50
485 Capital Outlay	<u>10,258,150.00</u>	<u>10,417,573.88</u>
Total Expenditures	<u>11,156,546.96</u>	<u>10,756,627.38</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(10,258,150.00)</u>	<u>(9,856,884.22)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	<u>10,258,150.00</u>	<u>10,018,581.26</u>
Total Other Financing Sources/(Uses)	<u>10,258,150.00</u>	<u>10,018,581.26</u>
Net Change in Fund Balances	-	161,697.04
Fund Balance - Beginning	(1,882,699.50)	(1,882,699.50)
FUND BALANCE- ENDING	<u>\$ (1,882,699.50)</u>	<u>\$ (1,721,002.46)</u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
TID 54 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 176,753.15	\$ 172,126.81
360 Miscellaneous Revenue:		
361 Investment Earnings	-	417.43
Total Revenue	<u>176,753.15</u>	<u>172,544.24</u>
<b>Expenditures:</b>		
470 Debt Service	<u>176,753.15</u>	<u>169,626.89</u>
Total Expenditures	<u>176,753.15</u>	<u>169,626.89</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>2,917.35</u>
Net Change in Fund Balances	-	2,917.35
Fund Balance - Beginning	6,439.30	6,439.30
FUND BALANCE- ENDING	<u>\$ 6,439.30</u>	<u>\$ 9,356.65</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 44 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 696,542.82	\$ 395,007.45
360 Miscellaneous Revenue:		
361 Investment Earnings	-	10,530.21
Total Revenue	<u>696,542.82</u>	<u>405,537.66</u>
<b>Expenditures:</b>		
470 Debt Service	696,542.82	671,260.59
485 Capital Outlay	<u>3,267,354.35</u>	<u>3,267,354.35</u>
Total Expenditures	<u>3,963,897.17</u>	<u>3,938,614.94</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(3,267,354.35)</u>	<u>(3,533,077.28)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	4,582,064.54	4,582,064.54
511 Transfers Out	<u>(1,314,710.19)</u>	<u>(1,314,710.19)</u>
Total Other Financing Sources/(Uses)	<u>3,267,354.35</u>	<u>3,267,354.35</u>
Net Change in Fund Balances	-	(265,722.93)
Fund Balance - Beginning	313,029.33	313,029.33
FUND BALANCE- ENDING	<u>\$ 313,029.33</u>	<u>\$ 47,306.40</u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
TID 46 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 427,336.66	\$ 428,193.65
360 Miscellaneous Revenue:		
361 Investment Earnings	-	3,573.22
Total Revenue	<u>427,336.66</u>	<u>431,766.87</u>
<b>Expenditures:</b>		
470 Debt Service	<u>427,336.66</u>	<u>367,063.71</u>
Total Expenditures	<u>427,336.66</u>	<u>367,063.71</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>64,703.16</u>
Net Change in Fund Balances	-	64,703.16
Fund Balance - Beginning	108,983.72	108,983.72
FUND BALANCE- ENDING	<u><u>\$ 108,983.72</u></u>	<u><u>\$ 173,686.88</u></u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 48 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 14,016.53	\$ 13,983.86
360 Miscellaneous Revenue:		
361 Investment Earnings	-	32.71
Total Revenue	<u>14,016.53</u>	<u>14,016.57</u>
<b>Expenditures:</b>		
470 Debt Service	<u>14,016.53</u>	<u>13,983.86</u>
Total Expenditures	<u>14,016.53</u>	<u>13,983.86</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>32.71</u>
Net Change in Fund Balances	-	32.71
Fund Balance - Beginning	53.57	53.57
FUND BALANCE- ENDING	<u>\$ 53.57</u>	<u>\$ 86.28</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 19 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 270,409.09	\$ 237,662.25
360 Miscellaneous Revenue:		
361 Investment Earnings	-	617.00
Total Revenue	<u>270,409.09</u>	<u>238,279.25</u>
<b>Expenditures:</b>		
470 Debt Service	<u>270,409.09</u>	<u>269,758.10</u>
Total Expenditures	<u>270,409.09</u>	<u>269,758.10</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(31,478.85)</u>
Net Change in Fund Balances	-	(31,478.85)
Fund Balance - Beginning	34,050.82	34,050.82
FUND BALANCE- ENDING	<u><u>\$ 34,050.82</u></u>	<u><u>\$ 2,571.97</u></u>



**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 50 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 120,375.67	\$ 121,877.55
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,933.21
Total Revenue	<u>120,375.67</u>	<u>123,810.76</u>
<b>Expenditures:</b>		
470 Debt Service	<u>120,375.67</u>	-
Total Expenditures	<u>120,375.67</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>123,810.76</u>
Net Change in Fund Balances	-	123,810.76
Fund Balance - Beginning	18,530.87	18,530.87
FUND BALANCE- ENDING	<u>\$ 18,530.87</u>	<u>\$ 142,341.63</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 49 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 303,949.72	\$ 318,326.07
360 Miscellaneous Revenue:		
361 Investment Earnings	-	4,362.84
Total Revenue	<u>303,949.72</u>	<u>322,688.91</u>
<b>Expenditures:</b>		
470 Debt Service	<u>303,949.72</u>	-
Total Expenditures	<u>303,949.72</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>322,688.91</u>
Other Financing Uses		
511 Transfers Out	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	322,688.91
Fund Balance - Beginning	(164,440.33)	(164,440.33)
FUND BALANCE- ENDING	<u>\$ (164,440.33)</u>	<u>\$ 158,248.58</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 52 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 21,400.89	\$ 20,678.48
360 Miscellaneous Revenue:		
361 Investment Earnings	-	754.85
Total Revenue	<u>21,400.89</u>	<u>21,433.33</u>
<b>Expenditures:</b>		
470 Debt Service	<u>21,400.89</u>	-
Total Expenditures	<u>21,400.89</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>21,433.33</u>
Net Change in Fund Balances	-	21,433.33
Fund Balance - Beginning	22,029.81	22,029.81
FUND BALANCE- ENDING	<u>\$ 22,029.81</u>	<u>\$ 43,463.14</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 51 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 133,296.28	\$ 132,544.40
360 Miscellaneous Revenue:		
361 Investment Earnings	-	307.45
Total Revenue	<u>133,296.28</u>	<u>132,851.85</u>
<b>Expenditures:</b>		
470 Debt Service	<u>133,296.28</u>	<u>120,466.08</u>
Total Expenditures	<u>133,296.28</u>	<u>120,466.08</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>12,385.77</u>
Net Change in Fund Balances	-	12,385.77
Fund Balance - Beginning	3,285.48	3,285.48
FUND BALANCE- ENDING	<u>\$ 3,285.48</u>	<u>\$ 15,671.25</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 53 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 65,360.15	\$ 65,163.09
360 Miscellaneous Revenue:		
361 Investment Earnings	-	196.16
Total Revenue	<u>65,360.15</u>	<u>65,359.25</u>
<b>Expenditures:</b>		
470 Debt Service	<u>65,360.15</u>	<u>73,297.32</u>
Total Expenditures	<u>65,360.15</u>	<u>73,297.32</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(7,938.07)</u>
Net Change in Fund Balances	-	(7,938.07)
Fund Balance - Beginning	2,501.23	2,501.23
FUND BALANCE- ENDING	<u>\$ 2,501.23</u>	<u>\$ (5,436.84)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 47 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 16,208.80	\$ 15,636.90
360 Miscellaneous Revenue:		
361 Investment Earnings	-	597.73
Total Revenue	<u>16,208.80</u>	<u>16,234.63</u>
<b>Expenditures:</b>		
470 Debt Service	16,208.80	-
Total Expenditures	<u>16,208.80</u>	<u>-</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>16,234.63</u>
Net Change in Fund Balances	-	16,234.63
Fund Balance - Beginning	12,084.98	12,084.98
FUND BALANCE- ENDING	<u>\$ 12,084.98</u>	<u>\$ 28,319.61</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 36 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 938,487.89	\$ 696,655.38
360 Miscellaneous Revenue:		
361 Investment Earnings	-	13,143.77
Total Revenue	<u>938,487.89</u>	<u>709,799.15</u>
<b>Expenditures:</b>		
470 Debt Service	938,487.89	800,813.88
485 Capital Outlay	755,469.44	1,102,920.48
Total Expenditures	<u>1,693,957.33</u>	<u>1,903,734.36</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(755,469.44)</u>	<u>(1,193,935.21)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	755,469.44	1,102,920.48
Total Other Financing Sources/(Uses)	<u>755,469.44</u>	<u>1,102,920.48</u>
Net Change in Fund Balances	-	(91,014.73)
Fund Balance - Beginning	281,363.99	281,363.99
FUND BALANCE- ENDING	<u>\$ 281,363.99</u>	<u>\$ 190,349.26</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 38 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 353,350.17	\$ 322,930.64
360 Miscellaneous Revenue:		
361 Investment Earnings	-	2,722.92
Total Revenue	<u>353,350.17</u>	<u>325,653.56</u>
<b>Expenditures:</b>		
470 Debt Service	353,350.17	314,378.61
490 Miscellaneous Expenses	-	-
Total Expenditures	<u>353,350.17</u>	<u>314,378.61</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>11,274.95</u>
Net Change in Fund Balances	-	11,274.95
Fund Balance - Beginning	(4,979.85)	(4,979.85)
FUND BALANCE- ENDING	<u>\$ (4,979.85)</u>	<u>\$ 6,295.10</u>



**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 39 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 5,483.54	\$ 5,294.78
360 Miscellaneous Revenue:		
361 Investment Earnings	-	197.55
Total Revenue	<u>5,483.54</u>	<u>5,492.33</u>
<b>Expenditures:</b>		
470 Debt Service	5,483.54	33,643.51
490 Miscellaneous Expenses	-	-
Total Expenditures	<u>5,483.54</u>	<u>33,643.51</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(28,151.18)</u>
Other Financing Uses		
511 Transfers Out	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(28,151.18)
Fund Balance - Beginning	(1,186,108.27)	(1,186,108.27)
FUND BALANCE- ENDING	<u>\$ (1,186,108.27)</u>	<u>\$ (1,214,259.45)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 40 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 94,571.31	\$ 94,344.29
360 Miscellaneous Revenue:		
361 Investment Earnings	-	226.71
Total Revenue	<u>94,571.31</u>	<u>94,571.00</u>
<b>Expenditures:</b>		
470 Debt Service	<u>94,571.31</u>	<u>106,809.46</u>
Total Expenditures	<u>94,571.31</u>	<u>106,809.46</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(12,238.46)</u>
Net Change in Fund Balances	-	(12,238.46)
Fund Balance - Beginning	6,373.32	6,373.32
FUND BALANCE- ENDING	<u>\$ 6,373.32</u>	<u>\$ (5,865.14)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 41 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 515,922.13	\$ 511,015.66
360 Miscellaneous Revenue:		
361 Investment Earnings	-	8,730.99
Total Revenue	<u>515,922.13</u>	<u>519,746.65</u>
<b>Expenditures:</b>		
470 Debt Service	515,922.13	330,205.95
485 Capital Outlay	-	-
Total Expenditures	<u>515,922.13</u>	<u>330,205.95</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>189,540.70</u>
Net Change in Fund Balances	-	189,540.70
Fund Balance - Beginning	(721,414.78)	(721,414.78)
FUND BALANCE- ENDING	<u>\$ (721,414.78)</u>	<u>\$ (531,874.08)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 42 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 480,675.94	\$ 439,733.20
360 Miscellaneous Revenue:		
361 Investment Earnings	-	21,536.98
Total Revenue	<u>480,675.94</u>	<u>461,270.18</u>
<b>Expenditures:</b>		
470 Debt Service	<u>480,675.94</u>	-
Total Expenditures	<u>480,675.94</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>461,270.18</u>
Other Financing Uses		
511 Transfers Out	<u>-</u>	<u>(5,350,000.00)</u>
Net Change in Fund Balances	-	(4,888,729.82)
Fund Balance - Beginning	232,585.67	232,585.67
FUND BALANCE- ENDING	<u>\$ 232,585.67</u>	<u>\$ (4,656,144.15)</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 43 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 1,074,703.76	\$ 1,057,691.36
360 Miscellaneous Revenue:		
361 Investment Earnings	-	42,485.66
Total Revenue	<u>1,074,703.76</u>	<u>1,100,177.02</u>
<b>Expenditures:</b>		
470 Debt Service	1,074,703.76	197,841.76
485 Capital Outlay	56,300.00	(91,434.25)
490 Miscellaneous Expenses	-	-
Total Expenditures	<u>1,131,003.76</u>	<u>106,407.51</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(56,300.00)</u>	<u>993,769.51</u>
Other Financing Uses		
511 Transfers Out	-	(59,423.36)
	<u>-</u>	<u>(59,423.36)</u>
Net Change in Fund Balances	(56,300.00)	934,346.15
Fund Balance - Beginning	1,054,931.11	1,054,931.11
FUND BALANCE- ENDING	<u>\$ 998,631.11</u>	<u>\$ 1,989,277.26</u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**RETIRED SENIOR VOLUNTEER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
331 Federal Grants	\$ 115,192.00	\$ 53,864.96
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	59,019.53
Total Revenue	<u>115,192.00</u>	<u>112,884.49</u>
<b>Expenditures:</b>		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>116,431.24</u>	<u>106,971.64</u>
Total Expenditures	<u>116,431.24</u>	<u>106,971.64</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(1,239.24)</u>	<u>5,912.85</u>
Net Change in Fund Balances	(1,239.24)	5,912.85
Fund Balance - Beginning	4,116.95	4,116.95
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 2,877.71</u></u>	<u><u>\$ 10,029.80</u></u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
331 Federal Grant	\$ 530,283.00	\$ 438,703.75
340 Charges for Goods and Services:		
342 General Government	-	-
349 Conservation and Development	-	5,687.71
Total Revenue	<u>530,283.00</u>	<u>444,391.46</u>
<b>Expenditures:</b>		
460 Community Development:		
463 Community Development	<u>562,874.10</u>	<u>391,997.36</u>
Total Expenditures	<u>562,874.10</u>	<u>391,997.36</u>
Excess of Revenue Over (Under) Expenditures	<u>(32,591.10)</u>	<u>52,394.10</u>
Net Change in Fund Balances	(32,591.10)	52,394.10
Fund Balance - Beginning	(52,394.10)	(52,394.10)
<b>FUND BALANCE- ENDING</b>	<u><u>\$ (84,985.20)</u></u>	<u><u>\$ -</u></u>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**ARRA COMMUNITY DEVELOPMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
331 Federal Grant	\$ 3,661.00	\$ 5,852.40
340 Charges for Goods and Services:		
342 General Government	-	-
349 Conservation and Development	-	-
Total Revenue	<u>3,661.00</u>	<u>5,852.40</u>
<b>Expenditures:</b>		
460 Community Development:		
463 Community Development	<u>3,661.00</u>	<u>5,852.40</u>
Total Expenditures	<u>3,661.00</u>	<u>5,852.40</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-
Fund Balance - Beginning	(52,394.10)	-
<b>FUND BALANCE- ENDING</b>	<u><u>\$ (52,394.10)</u></u>	<u><u>\$ -</u></u>



**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION LOAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
340 Charges for Goods and Services:		
341 General Government	\$ 30,000.00	\$ 23,684.10
360 Miscellaneous Revenue		
367 Contributions & Donations	-	1,327.20
Total Revenue	<u>30,000.00</u>	<u>25,011.30</u>
<b>Expenditures:</b>		
490 Miscellaneous		
492 Other Expenditures	<u>30,000.00</u>	<u>25,772.74</u>
Total Expenditures	<u>30,000.00</u>	<u>25,772.74</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(761.44)</u>
Net Change in Fund Balances	-	(761.44)
Fund Balance - Beginning	11,914.17	11,914.17
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 11,914.17</u></u>	<u><u>\$ 11,152.73</u></u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
REHABILITATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
340 Charges for Goods and Services:		
349 Conservation and Development	\$ -	\$ 40,570.13
360 Miscellaneous Revenue:		
361 Interest Earnings	-	6.47
Total Revenue	-	40,576.60
<b>Expenditures:</b>		
460 Conservation & Development		
463 Community Development	50,000.00	22,861.29
Total Expenditures	50,000.00	22,861.29
Excess of Revenue Over (Under)		
Expenditures	(50,000.00)	17,715.31
Net Change in Fund Balances	(50,000.00)	17,715.31
Fund Balance - Beginning	60,434.29	60,434.29
<b>FUND BALANCE- ENDING</b>	<b>\$ 10,434.29</b>	<b>\$ 78,149.60</b>

**CITY OF RAPID CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**TID 35 FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
310 Taxes:		
311 General Property Taxes	\$ 62,102.92	\$ 61,938.32
360 Miscellaneous Revenue:		
361 Investment Earnings	-	206.29
Total Revenue	<u>62,102.92</u>	<u>62,144.61</u>
<b>Expenditures:</b>		
470 Debt Service	<u>62,102.92</u>	<u>43,151.56</u>
Total Expenditures	<u>62,102.92</u>	<u>43,151.56</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>18,993.05</u>
Net Change in Fund Balances	-	18,993.05
Fund Balance - Beginning	10,207.40	10,207.40
FUND BALANCE- ENDING	<u>\$ 10,207.40</u>	<u>\$ 29,200.45</u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
LIBRARY BOARD FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
350 Fine and Forfeitures		
354 Library	\$ 95,430.00	\$ 110,175.42
Total Revenue	<u>95,430.00</u>	<u>110,175.42</u>
<b>Expenditures:</b>		
450 Culture and Recreation		
455 Library	<u>217,209.00</u>	<u>72,031.53</u>
Total Expenditures	<u>217,209.00</u>	<u>72,031.53</u>
Excess of Revenue Over (Under) Expenditures	<u>(121,779.00)</u>	<u>38,143.89</u>
Other Financing Uses		
511 Transfers Out	<u>(41,128.00)</u>	<u>(41,128.00)</u>
	<u>(41,128.00)</u>	<u>(41,128.00)</u>
Net Change in Fund Balances	(162,907.00)	(2,984.11)
Fund Balance - Beginning	134,308.76	134,308.76
<b>FUND BALANCE- ENDING</b>	<u><u>\$ (28,598.24)</u></u>	<u><u>\$ 131,324.65</u></u>

**CITY OF RAPID CITY  
BUDGETARY COMPARISON SCHEDULE  
CEMETERY PERPETUAL CARE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>		
340 Charges for Goods and Services:		
348 Cemetery	\$ 15,000.00	\$ 2,842.77
360 Miscellaneous Revenue:		
361 Interest Earnings	-	-
Total Revenue	<u>15,000.00</u>	<u>2,842.77</u>
<b>Expenditures:</b>		
437 Cemetery	<u>15,000.00</u>	<u>392.00</u>
Total Expenditures	<u>15,000.00</u>	<u>392.00</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>2,450.77</u>
<b>Other Financing Sources (Uses):</b>		
511 Transfers Out	<u>-</u>	<u>(10,252.88)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,252.88)</u>
Net Change in Fund Balances	-	(7,802.11)
Fund Balance - Beginning	68,437.56	68,437.56
<b>FUND BALANCE- ENDING</b>	<u><u>\$ 68,437.56</u></u>	<u><u>\$ 60,635.45</u></u>

# STATISTICAL SECTION

This part of the City of Rapid City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

## **Contents:**

### Financial Trends

These schedules contain trend information to assist the reader to understand how the City's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader to understand the environment within which the City's financial activities take place.

### Operating Information

These schedules contain service data to assist the reader to understand how the information in the City's financial report relates to services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years. The City of Rapid City implemented GASB 34 in 2001 and schedules presenting government-wide data include information beginning in that year.

CITY OF RAPID CITY  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS (UNAUDITED)  
(accrual basis of accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities									
Invested in capital assets, net of related debt	\$103,023,640	\$123,638,772	\$144,262,639	\$160,503,057	\$132,910,951	\$143,729,290	\$145,288,241	\$ 164,693,934	\$ 172,182,308
Restricted	51,629,148	33,357,099	29,457,859	6,682,629	53,279,376	47,176,384	40,701,292	18,539,356	14,758,896
Unrestricted	23,135,428	32,446,186	24,352,521	45,050,470	46,666,209	51,199,627	49,275,876	49,448,544	50,936,346
Total governmental activities net assets	<u>177,788,216</u>	<u>189,442,057</u>	<u>198,073,019</u>	<u>212,236,156</u>	<u>232,856,536</u>	<u>242,105,301</u>	<u>235,265,409</u>	<u>232,681,834</u>	<u>237,877,551</u>
Business-type activities									
Invested in capital assets, net of related debt	128,413,797	139,162,346	149,103,293	158,723,257	169,802,852	188,750,708	216,637,365	244,066,207	259,988,386
Restricted	1,199,214	1,283,752	1,427,277	1,411,216	1,393,171	733,070	1,099,005	8,411,973	3,093,949
Unrestricted	14,353,546	14,475,444	15,414,180	14,418,186	18,455,480	18,759,835	25,281,486	24,469,018	29,673,545
Total business-type activities net assets	<u>143,966,557</u>	<u>154,921,542</u>	<u>165,944,750</u>	<u>174,552,659</u>	<u>189,651,503</u>	<u>208,243,613</u>	<u>243,017,856</u>	<u>276,947,197</u>	<u>292,755,880</u>
Primary government									
Invested in capital assets, net of related debt	231,437,437	262,801,118	293,365,932	319,226,314	302,713,803	332,479,998	361,925,606	408,760,141	432,170,695
Restricted	52,828,362	34,640,851	30,885,136	8,093,845	54,672,547	47,909,454	41,800,297	26,951,329	17,852,845
Unrestricted	37,488,974	46,921,630	39,766,701	59,468,656	65,121,689	69,959,462	74,557,362	73,917,563	80,609,891
Total primary government net assets	<u>\$321,754,773</u>	<u>\$344,363,599</u>	<u>\$364,017,769</u>	<u>\$386,788,815</u>	<u>\$422,508,039</u>	<u>\$450,348,914</u>	<u>\$478,283,265</u>	<u>\$509,629,032</u>	<u>\$530,633,431</u>

TABLE 2

CITY OF RAPID CITY  
CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS (UNAUDITED)  
(accrual basis of accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>									
Governmental activities									
General government	\$ 1,628,235	\$ 2,375,909	\$ 2,473,998	\$ 2,571,017	\$ 2,762,455	\$ 2,668,062	\$ 2,882,804	\$ 3,286,640	\$ 2,980,364
Public Safety	14,169,612	16,278,315	17,202,666	17,561,359	17,562,771	18,602,753	19,622,564	20,163,551	20,431,619
Public Works	7,947,180	4,400,648	13,000,716	13,298,573	12,571,139	13,607,081	14,223,924	15,969,521	16,768,790
Health & Welfare	1,494,006	3,161,437	1,700,072	1,784,414	1,997,014	2,164,755	2,525,810	2,722,023	2,963,046
Culture & Recreation	1,211,002	5,478,909	6,589,028	7,593,391	8,259,883	8,811,502	9,154,160	10,370,786	9,626,459
Conservation & Development	5,316,774	2,529,571	2,570,409	1,412,439	4,299,606	4,026,988	4,635,879	4,789,817	4,685,342
Interest on Long-Term Debt	2,370,703	2,557,977	1,768,427	1,401,019	1,305,823	2,762,963	3,206,898	3,350,937	3,358,742
Miscellaneous Expenditures	304,379	1,161,500	363	841,713	452,179	3,406,407	1,783,573	1,290,526	1,239,052
Total governmental activities expenses	<u>34,441,891</u>	<u>37,944,266</u>	<u>45,305,679</u>	<u>46,463,925</u>	<u>49,210,870</u>	<u>56,050,511</u>	<u>58,035,610</u>	<u>61,943,801</u>	<u>62,053,414</u>
Business-type activities									
Water	4,810,038	5,377,019	5,308,407	5,660,967	6,312,383	7,193,375	7,337,365	6,208,565	7,370,576
Water Reclamation	3,103,449	3,892,013	4,333,321	5,094,496	5,524,521	6,329,099	6,712,680	6,391,356	6,314,009
Airport	3,318,293	4,034,290	3,850,454	4,122,545	4,501,446	4,942,984	5,112,561	6,104,505	5,212,852
Solid Waste Disposal	1,330,223	1,187,303	1,180,332	1,531,212	1,473,722	1,562,615	615,860	1,809,113	2,422,426
Solid Waste MRF	2,250,805	2,126,261	2,045,115	2,692,254	2,648,085	2,678,829	2,565,322	3,837,241	2,875,918
Civic Center	4,851,138	5,387,287	5,385,512	5,941,291	6,082,438	6,346,398	6,598,565	8,018,601	10,113,887
Solid Waste Collection	1,295,012	1,283,594	1,597,320	1,515,099	1,624,172	1,739,117	1,947,929	1,554,395	1,685,716
Executive Golf Course	294,414	388,184	334,131	256,268	265,590	269,630	229,342	197,005	228,376
Cemetery	197,382	265,236	241,376	257,614	247,501	241,786	251,580	239,109	248,174
Golf Course	714,682	640,032	917,716	786,569	767,098	781,217	795,172	1,005,330	1,020,908
Parking Lot & Area	451,355	531,941	475,762	417,396	421,837	496,220	468,009	551,039	577,254
Energy Plant	224,255	256,976	244,835	247,386	286,218	339,298	301,859	335,356	243,797
Ambulance	-	-	1,483,188	1,885,619	1,877,522	1,918,699	2,165,208	2,609,798	2,556,521
Transporation Terminal	70,244	72,038	73,520	66,387	74,275	84,016	86,237	83,855	100,956
Total business-type activities	<u>22,911,290</u>	<u>25,442,174</u>	<u>27,470,989</u>	<u>30,475,103</u>	<u>32,106,808</u>	<u>34,923,283</u>	<u>35,187,690</u>	<u>38,945,268</u>	<u>40,971,369</u>
Total primary government expense	<u>\$ 57,353,181</u>	<u>\$ 63,386,440</u>	<u>\$ 72,776,668</u>	<u>\$ 76,939,028</u>	<u>\$ 81,317,678</u>	<u>\$ 90,973,794</u>	<u>\$ 93,223,300</u>	<u>\$ 100,889,069</u>	<u>\$ 103,024,783</u>
<b>Program Revenues</b>									
Governmental activities									
General government	\$ 1,535,236	\$ 1,999,199	\$ 1,623,555	\$ 2,249,915	\$ 2,318,659	\$ 2,291,651	\$ 2,229,739	\$ 1,527,301	\$ 710,270
Public Safety	624,170	703,490	871,023	778,487	819,212	1,034,516	950,463	974,646	701,098
Public Works	45,249	427,115	2,711,044	1,007,620	2,869,211	1,579,149	794,555	901,411	1,516,598
Health & Welfare	313,938	199,885	250,525	223,463	233,081	283,795	285,404	315,629	297,825
Culture & Recreation	528,483	1,145,509	1,080,690	1,181,478	1,343,438	1,492,145	1,467,547	1,699,456	1,621,920
Conservation & Development	100,000	204,425	31,103	172,473	139,406	72,701	1,888,132	1,445,312	1,069,334
Operating Grants & Contributions	4,209,762	2,430,571	2,140,864	2,004,095	2,068,813	2,785,807	1,944,336	1,523,283	2,301,631
Capital Grants & Contributions	95,000	-	3,917,163	9,150,725	9,709,472	1,586,051	6,231,806	6,855,041	3,151,826
Total governmental activities	<u>7,451,838</u>	<u>7,110,194</u>	<u>12,625,967</u>	<u>16,768,256</u>	<u>19,501,292</u>	<u>11,125,815</u>	<u>15,791,982</u>	<u>15,242,078</u>	<u>11,370,502</u>



TABLE 2

CITY OF RAPID CITY  
CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS (UNAUDITED)  
(accrual basis of accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities									
Water	6,886,301	8,181,214	8,833,047	8,159,633	9,413,770	10,041,912	10,996,410	9,679,252	11,846,358
Water Reclamation	4,168,699	4,744,808	4,599,303	4,782,545	6,226,225	6,887,604	8,023,176	8,452,856	8,989,427
Airport	2,817,732	3,289,565	3,329,929	3,541,939	4,053,585	3,835,585	4,288,879	4,917,350	4,689,699
Solid Waste Disposal	1,775,152	1,694,972	1,676,636	1,532,669	1,548,491	1,814,979	2,989,536	2,325,371	2,574,165
Solid Waste MRF	2,342,340	2,277,296	2,754,032	3,238,640	3,413,875	3,354,528	2,110,224	3,610,916	3,149,582
Civic Center	2,321,799	2,809,576	2,995,192	3,140,706	3,525,052	3,082,211	3,174,853	4,206,845	5,830,860
Solid Waste Collection	1,200,025	1,526,468	1,508,526	1,571,225	1,685,053	1,756,437	1,944,670	2,195,863	2,276,553
Executive Golf Course	204,346	176,734	156,776	126,587	120,435	131,362	137,418	149,257	139,366
Cemetery	136,275	127,601	140,694	133,244	156,458	165,945	149,899	156,502	133,273
Golf Course	727,101	791,025	894,044	787,790	731,191	777,777	793,205	1,078,771	992,481
Parking Lot & Area	520,281	522,746	591,889	566,165	528,082	532,415	520,044	627,201	664,490
Energy Plant	199,631	228,880	198,671	201,643	328,026	303,371	260,995	288,592	284,478
Ambulance	-	-	1,656,598	2,310,001	2,353,240	2,337,896	2,603,158	3,007,532	2,677,049
Transportation Terminal	29,544	30,083	28,867	32,570	33,387	30,494	28,111	35,093	29,854
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	1,856,610	3,987,981	2,627,049	5,382,212	9,257,768	10,439,307	6,636,675	5,449,466	1,532,527
Total business-type activities	25,185,836	30,388,949	31,991,253	35,507,569	43,374,638	45,491,823	44,657,253	46,180,865	45,810,164
Total primary government revenue	\$ 32,637,674	\$ 37,499,143	\$ 44,617,220	\$ 52,275,825	\$ 62,875,930	\$ 56,617,638	\$ 60,449,235	\$ 61,422,943	\$ 57,180,666
<b>Net (Expense) Revenue</b>									
Governmental activities	(26,990,053)	(30,834,072)	(32,679,712)	(29,695,669)	(29,709,578)	(44,924,696)	(42,243,628)	(46,701,723)	(50,682,912)
Business-type activities	2,274,546	4,946,775	4,520,264	5,032,466	11,267,830	10,568,540	9,469,563	7,235,597	4,838,795
Total primary government net expense	<u>\$ (24,715,507)</u>	<u>\$ (25,887,297)</u>	<u>\$ (28,159,448)</u>	<u>\$ (24,663,203)</u>	<u>\$ (18,441,748)</u>	<u>\$ (34,356,156)</u>	<u>\$ (32,774,065)</u>	<u>\$ (39,466,126)</u>	<u>\$ (45,844,117)</u>
<b>General Revenue and other changes net assets</b>									
Governmental activities:									
Taxes:									
Property taxes	\$ 8,651,343	\$ 9,274,656	\$ 9,032,940	\$ 9,074,257	\$ 11,132,203	\$ 12,258,052	\$ 15,094,006	\$ 15,635,849	\$ 18,260,302
Sales taxes	27,764,545	27,774,001	32,048,237	32,484,575	35,652,430	38,875,471	40,802,422	43,203,611	42,203,906
Other taxes	352,647	1,505,890	570,792	252,291	760,324	1,791,451	266,596	2,139,252	2,371,249
State shared revenue	823,628	1,019,875	881,196	1,013,404	888,271	1,101,198	1,147,108	1,137,198	1,094,884
County shared revenue	231,365	222,960	232,901	241,368	241,891	246,342	284,357	241,900	250,900
Non-program grants & contributions	54,501	245,602	135,654	60,571	40,574	47,801	85,546	-	-
Unrestricted investment earnings	3,246,197	2,671,849	1,105,617	1,160,917	1,290,324	4,459,221	4,770,186	2,972,201	1,215,256
Miscellaneous revenue	1,329,151	1,014,342	328,199	229,443	154,137	163,020	276,407	261,460	236,945
Gain (loss) on disposal of capital assets	-	-	(93,316)	115,937	569,595	(248,867)	5,348	(24,180)	(361,924)
Transfers	(805,085)	(1,241,262)	(1,058,976)	(773,944)	(772,400)	(4,520,224)	(20,937,446)	(21,394,867)	(9,904,259)
Total governmental activities	41,648,292	42,487,913	43,183,244	43,858,819	49,957,349	54,173,465	41,794,530	44,172,423	55,367,259
Business-type activities									
Taxes									

CITY OF RAPID CITY  
CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS (UNAUDITED)  
(accrual basis of accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Gross Receipts Tax	2,000,389	2,141,193	2,331,448	2,332,024	2,498,853	2,634,751	2,797,145	2,922,529	3,062,280
Other taxes	114,279	419,215	180,569	152,877	293,088	169,500	227,308	253,034	243,812
Unrestricted investment earnings	659,352	804,233	369,269	375,062	358,223	691,989	1,139,903	1,541,453	606,069
Miscellaneous revenue	-	1,402,208	2,410,139	(88,300)	191,356	13,892	-	663,290	441,478
Gain (loss) on disposal of capital assets	-	-	(132,151)	29,836	(219,115)	(6,785)	411,449	(81,428)	(138,011)
Transfers	805,085	1,241,262	1,058,976	773,944	772,400	4,520,225	20,937,446	21,394,867	9,904,259
Total business-type activities	<u>3,579,105</u>	<u>6,008,111</u>	<u>6,218,250</u>	<u>3,575,443</u>	<u>3,894,805</u>	<u>8,023,572</u>	<u>25,513,251</u>	<u>26,693,745</u>	<u>14,119,887</u>
Total primary government	<u>\$ 45,227,397</u>	<u>\$ 48,496,024</u>	<u>\$ 49,401,494</u>	<u>\$ 47,434,262</u>	<u>\$ 53,852,154</u>	<u>\$ 62,197,037</u>	<u>\$ 67,307,781</u>	<u>\$ 70,866,168</u>	<u>\$ 69,487,146</u>
<b>Change in Net Assets</b>									
Government activities	14,658,239	11,653,841	10,503,532	14,163,150	20,247,771	9,248,769	(449,098)	(2,529,299)	4,684,346
Business-type activities	5,853,651	10,954,886	10,738,514	8,607,909	15,162,635	18,592,112	34,982,814	33,929,342	18,958,682
Total primary government	<u>\$ 20,511,890</u>	<u>\$ 22,608,727</u>	<u>\$ 21,242,046</u>	<u>\$ 22,771,059</u>	<u>\$ 35,410,406</u>	<u>\$ 27,840,881</u>	<u>\$ 34,533,716</u>	<u>\$ 31,400,043</u>	<u>\$ 23,643,029</u>

CITY OF RAPID CITY  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)  
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002*	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 1,574	\$ 963	\$ 40	\$ 509	\$ 751	\$ 1,072	\$ 920	\$ 685	\$ 2,351	\$ 2,067
Unreserved	13,732	16,259	17,840	17,815	17,409	17,470	16,792	16,214	15,190	11,998
Total General Fund	<u>\$ 15,306</u>	<u>\$ 17,222</u>	<u>\$ 17,880</u>	<u>\$ 18,324</u>	<u>\$ 18,160</u>	<u>\$ 18,542</u>	<u>\$ 17,712</u>	<u>\$ 16,899</u>	<u>\$ 17,541</u>	<u>\$ 14,065</u>
All Other Governmental Funds										
Reserved	\$ 15,207	\$ 19,786	\$ 10,158	\$ 8,449	\$ 9,441	\$ 55,241	\$ 48,454	\$ 46,632	\$ 19,134	\$ 23,288
Unreserved, reported in										
Special Revenue	23,008	30,376	31,486	22,269	19,069	22,985	28,999	22,410	30,825	31,012
Capital Projects	8,233	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	(3,960)	(8,776)
Permanent Funds	-	-	-	-	-	-	-	-	68	61
Total All Other Governmental Funds	<u>\$ 46,448</u>	<u>\$ 50,162</u>	<u>\$ 41,644</u>	<u>\$ 30,718</u>	<u>\$ 28,510</u>	<u>\$ 78,226</u>	<u>\$ 77,453</u>	<u>\$ 69,042</u>	<u>\$ 46,068</u>	<u>\$ 45,584</u>

\* Implementation of GASB 34 changed the nature of reserved funds

CITY OF RAPID CITY  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)  
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>										
Taxes	\$ 34,533	\$ 36,341	\$ 37,021	\$ 41,482	\$ 42,391	\$ 47,078	\$ 52,279	\$ 56,278	\$ 60,751	\$ 62,569
Licenses & Permits	1,110	1,345	1,440	1,414	1,874	2,048	2,019	2,362	1,913	1,506
Intergovernmental	3,857	3,278	3,591	3,293	3,259	3,139	4,134	5,134	4,721	5,147
Charges for Services	849	1,805	3,098	4,963	3,500	5,616	4,503	5,127	4,367	4,247
Fines and Forfeits	110	173	157	190	240	158	231	207	167	152
Miscellaneous	5,979	6,153	4,740	1,837	1,703	1,866	4,792	5,594	3,658	2,628
Total Revenues	<u>46,438</u>	<u>49,095</u>	<u>50,047</u>	<u>53,179</u>	<u>52,967</u>	<u>59,905</u>	<u>67,958</u>	<u>74,702</u>	<u>75,577</u>	<u>76,249</u>
<b>Expenditures:</b>										
General Government	1,339	1,764	1,814	1,914	2,092	2,283	2,215	2,719	2,851	2,642
Public Safety	13,592	14,534	15,219	15,884	16,531	16,938	18,022	19,591	19,419	20,269
Public Works	10,734	13,131	4,181	7,159	7,267	5,782	6,306	15,251	7,380	7,367
Health & Welfare	1,395	1,592	2,970	1,515	1,639	1,868	2,007	2,827	2,362	2,447
Culture & Recreation	5,541	14,194	5,055	5,507	6,498	6,988	7,497	13,476	9,138	8,457
Development	3,717	5,468	2,460	2,518	1,397	4,252	4,007	4,558	4,717	4,742
Debt Service										
Interest	1,638	2,669	2,567	1,830	1,463	1,376	2,842	2,865	3,351	3,359
Principal	4,326	5,111	5,342	6,716	5,392	5,987	7,264	9,366	10,350	12,010
Capital Outlay	-	-	16,172	20,270	11,982	10,861	11,479	2,194	35,068	27,933
Miscellaneous	-	6	1,152	-	842	452	3,406	1,693	1,291	1,239
Total Expenditures	<u>42,282</u>	<u>58,469</u>	<u>56,932</u>	<u>63,313</u>	<u>55,103</u>	<u>56,787</u>	<u>65,045</u>	<u>74,540</u>	<u>95,926</u>	<u>90,466</u>
Excess of Revenue Over (Under) Expenditures	<u>4,156</u>	<u>(9,374)</u>	<u>(6,885)</u>	<u>(10,134)</u>	<u>(2,136)</u>	<u>3,118</u>	<u>2,913</u>	<u>161</u>	<u>(20,348)</u>	<u>(14,216)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers In	8,522	14,089	12,564	3,027	1,060	1,539	1,550	1,107	2,169	873
Transfers Out	(8,305)	(14,894)	(13,805)	(4,086)	(1,834)	(2,011)	(6,070)	(21,306)	(10,528)	(10,777)
Payment to Bond Agent	-	-	(13,424)	-	-	-	-	-	-	-
Proceeds for Borrowing	10,000	14,405	13,314	-	160	46,824	-	10,920	6,355	16,958
Sales of Property	6	123	377	20	378	629	4	86	20	53
Total Other Financing Sources (Uses)	<u>10,223</u>	<u>13,723</u>	<u>(974)</u>	<u>(1,039)</u>	<u>(236)</u>	<u>46,981</u>	<u>(4,516)</u>	<u>(9,194)</u>	<u>(1,983)</u>	<u>7,107</u>
Net Change in Fund Balance	<u>14,379</u>	<u>4,349</u>	<u>(7,859)</u>	<u>(11,173)</u>	<u>(2,372)</u>	<u>50,099</u>	<u>(1,603)</u>	<u>(9,032)</u>	<u>(22,332)</u>	<u>(7,110)</u>
Debt Service as a percentage of Noncapital Expenditures	<u>14.1%</u>	<u>13.3%</u>	<u>19.4%</u>	<u>19.9%</u>	<u>15.9%</u>	<u>16.0%</u>	<u>18.9%</u>	<u>16.9%</u>	<u>22.5%</u>	<u>24.6%</u>

CITY OF RAPID CITY  
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS (UNAUDITED)  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

FISCAL YEAR	PROPERTY TAX	SALES TAX	FRANCHISE TAX	BANK FRANCHISE TAX	LIQUOR TAX REVERSION	AMUSEMENT TAX	COUNTY ROAD TAX	GROSS RECEIPTS TAX	TOTAL
2000	7,940	26,286	296	73	293	11	-	-	34,899
2001	8,224	27,764	311	62	277	42	-	-	36,680
2002	8,938	27,774	265	87	294	43	-	-	37,401
2003	9,077	32,048	356	38	295	-	-	-	41,814
2004	9,622	32,484	284	92	339	-	-	-	42,821
*2005	11,063	35,652	362	74	309	-	-	-	47,460
2006	12,011	38,875	410	58	333	-	-	77	51,764
2007	15,475	40,802	-	94	417	-	284	266	57,338
2008	15,695	43,204	-	98	364	-	242	1,853	61,454
2009	18,459	42,204	-	111	363	-	251	1,906	63,294

\* First year developer funded Tax Increment Districts part of governmental funds

CITY OF RAPID CITY  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Real Property		Personal Property		Totals		Ratio of Total Assessed to Total Estimated Actual Value (2)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2000	2,227,338,452	2,620,397,647	(1)	(1)	2,227,338,452	2,620,397,647	0.85
2001	2,316,510,219	2,725,306,140	(1)	(1)	2,316,510,219	2,725,306,140	0.85
2002	2,628,305,467	3,092,124,079	(1)	(1)	2,628,305,467	3,092,124,079	0.85
2003	2,914,381,622	3,428,684,261	(1)	(1)	2,914,381,622	3,428,684,261	0.85
2004	3,220,316,408	3,788,607,539	(1)	(1)	3,220,316,408	3,788,607,539	0.85
2005	3,438,568,538	4,045,374,751	(1)	(1)	3,438,568,538	4,045,374,751	0.85
2006	3,727,410,934	4,385,189,334	(1)	(1)	3,727,410,934	4,385,189,334	0.85
2007	4,018,678,206	4,727,856,713	(1)	(1)	4,018,678,206	4,727,856,713	0.85
2008	4,324,369,253	5,087,493,239	(1)	(1)	4,324,369,253	5,087,493,239	0.85
2009	4,682,575,409	5,095,292,636	(1)	(1)	4,682,575,409	5,095,292,636	0.92

SOURCE: Pennington County Auditor, Director of Equalization and South Dakota Department of Revenue

(1) No personal property assessed in state.

(2) Ratio percentage indicates full and true assessed value of real property only versus estimated actual value.

The City has no General Obligation Bonded Debt; therefore, no statistics are provided G.O. bonded debt to assessed value.

CITY OF RAPID CITY  
PROPERTY VALUE AND CONSTRUCTION  
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	<u>Commercial Construction</u>		<u>Residential Construction</u>		Commercial	<u>Assessed Property Value</u>		Nontaxable (1)
	No. of Permits	Value	No. of Permits	Value		Commercial	Residential	
2000	91	38,721,168	146	18,483,752	976,300,331	1,251,038,121		N/A
2001	146	37,405,560	201	25,505,215	1,178,585,340	1,137,924,879		N/A
2002	48	42,644,786	312	55,656,291	1,079,998,360	1,548,307,107		N/A
2003	47	22,754,813	376	55,749,978	1,216,205,021	1,698,176,601		N/A
2004	79	33,144,799	456	77,101,976	1,376,532,288	1,843,784,120		N/A
2005	59	34,755,729	475	70,648,172	1,422,673,534	2,015,895,004		N/A
2006	83	55,259,062	355	66,530,424	1,504,953,522	2,222,457,412		N/A
2007	83	60,676,861	282	61,623,991	1,580,826,294	2,437,851,912		N/A
2008	56	44,798,267	204	30,225,075	1,756,482,768	2,567,886,485		N/A
2009	39	37,383,580	145	28,917,468	1,905,733,014	2,776,842,395		N/A

(1) Source: Pennington County Auditor and Director of Equalization. Values are not assigned to exempt (nontaxable) properties.

CITY OF RAPID CITY  
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS  
(PER \$1000 OF ASSESSED VALUATION)  
LAST TEN FISCAL YEARS (UNAUDITED)

City							
Fiscal Year	General Fund	Special Revenue Funds	Debt Service Funds	Total	School District	County	Total
2000	3.42	-	-	3.42	18.72	5.39	27.53
2001	3.47	-	-	3.47	18.73	5.44	27.64
2002	3.30	-	-	3.30	17.71	5.18	26.19
2003	3.15	-	-	3.15	16.92	4.94	25.01
2004	3.06	-	-	3.06	16.40	4.73	24.19
2005	3.03	-	-	3.03	16.01	4.70	23.74
2006	2.97	-	-	2.97	15.16	4.58	22.71
2007	2.96	-	-	2.96	14.15	4.57	21.68
2008	2.99	-	-	2.99	13.91	4.75	21.65
2009	3.025	-	-	3.025	13.688	4.899	21.612



CITY OF RAPID CITY  
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)  
DECEMBER 31, 2009

Taxpayer	Type of Business	2009 Assessed Valuation	Percent of Total Assessed Valuation
SM Rushmore Mall	Shopping Mall	\$ 45,611,106	1.05%
Midland Rushmore LLC	Rushmore Crossing	\$ 15,626,543	0.36%
Walmart Real Estate	Discount Retail	\$ 14,067,412	0.33%
Rushmore Plaza	Holiday Inn Motel	\$ 13,935,849	0.32%
Perkins Delaware	Shopping Center	\$ 12,594,014	0.29%
Regency Rapid City	Ramada Inn Convention Center	\$ 11,968,243	0.28%
Target Corporation	Retail	\$ 10,712,868	0.25%
Hetherington Flormann	Medical Center	\$ 10,076,325	0.23%
Harmony Heights Assn	Apartment Complex	\$ 10,057,608	0.23%
Physicians Real Estate LLP	Medical Clinic	\$ 9,762,252	0.23%
		\$ 154,412,220	3.57%

CITY OF RAPID CITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Tax Levy
2000	7,230,027	7,083,521	98.0%	247,413	7,330,934	101.4%	(1)	(1)
2001	7,656,404	7,431,485	97.1%	54,709	7,486,194	97.8%	(1)	(1)
2002	8,034,700	7,914,265	98.5%	195,193	8,109,458	100.9%	(1)	(1)
2003	8,681,453	8,578,722	98.8%	195,258	8,773,980	101.1%	(1)	(1)
2004	9,250,197	9,050,289	97.8%	162,855	9,213,144	99.6%	(1)	(1)
2005	9,858,569	9,723,310	98.6%	118,992	9,842,302	99.8%	(1)	(1)
2006	10,509,158	10,113,356	96.2%	205,243	10,318,599	98.2%	(1)	(1)
2007	11,030,680	10,995,764	99.7%	205,685	11,201,449	101.5%	(1)	(1)
2008	11,645,977	11,400,163	97.9%	298,571	11,698,734	100.5%	(1)	(1)
2009	12,307,468	12,099,832	98.3%	167,780	12,267,612	99.7%	(1)	(1)

(1) Outstanding delinquent taxes, although relatively minor, are not known by the City and assumed to be negligible.

CITY OF RAPID CITY  
TAXABLE SALES BY CATEGORY  
LAST 10 FISCAL YEARS (UNAUDITED)  
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
A. Agriculture, Forestry	\$ 10,392	\$ 11,692	\$ 12,181	\$ 14,167	\$ 15,255	\$ 16,533	\$ 17,372	\$ 20,029	\$ 20,147	\$ 19,366
B. Mining	14,045	11,881	12,365	13,074	12,251	14,518	17,175	12,219	18,040	20,913
C. Construction	4,519	5,148	4,723	3,469	3,137	3,096	2,866	2,656	3,312	2,675
D. Manufacturing	39,681	42,884	59,508	57,201	56,610	61,712	74,599	63,597	68,139	41,513
E. Transportation & Utility	139,929	149,406	185,955	170,370	189,469	180,379	197,472	200,465	208,102	211,201
F. Wholesale Trade	122,244	125,566	130,912	124,906	127,620	93,439	99,669	101,264	99,249	83,720
G. Retail Trade	894,426	912,809	896,949	1,014,298	1,100,896	1,218,739	1,141,396	1,309,433	1,336,008	1,335,932
H. Finance, Insurance	19,783	20,608	23,656	30,653	39,245	42,497	40,047	37,418	31,904	28,554
I. Services	262,811	276,043	278,365	297,209	307,191	321,978	347,832	367,140	396,052	378,986
J. Public Administration	-	43	53	47	-	-	-	-	-	-
K. Other	-	-	-	-	-	42	63	-	-	-
Total	<u>\$ 1,507,830</u>	<u>\$ 1,556,080</u>	<u>\$ 1,604,667</u>	<u>\$ 1,725,394</u>	<u>\$ 1,851,674</u>	<u>\$ 1,952,933</u>	<u>\$ 1,938,491</u>	<u>\$ 2,114,221</u>	<u>\$ 2,180,954</u>	<u>\$ 2,122,860</u>

Source: SD Department of Revenue

CITY OF RAPID CITY  
COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2009 (UNAUDITED)

ASSESSED VALUE OF TAXABLE PROPERTY (1)	\$ 4,682,575,409
DEBT LIMITS - General Purposes	
Debt Limitation - 5% of Assessed Value	234,128,770
Utilities (Water & Sewer) - 10% of Assessed Value	468,257,541
Streets, Railways or Electric - 8% of Assessed Value	<u>374,606,033</u>
Total Debt Limit	<u><u>1,076,992,344</u></u>
DEBT APPLICABLE TO LIMITATION	
General Purposes (5%)	
Sales Tax Bonds	52,615,000
Gross Receipts Bonds	5,315,000
Parking Revenue Bonds	2,435,000
Airport Certificate of Participation	730,000
Tax Increment Financing	22,716,313
SRF Loans	13,229,445
Capital Leases	<u>4,219,789</u>
	101,260,547
Utilities (10%)	
Water Revenue Bonds	45,100,000
Streets, Railways or Electric (8%)	
Outstanding Debt	<u>-</u>
Total Applicable Debt	146,360,547
LONG-TERM OBLIGATIONS NOT SUBJECT TO LIMITATION	<u>23,446,313</u>
TOTAL DEBT AND LONG TERM OBLIGATIONS	<u><u>\$ 122,914,234</u></u>

Source: Pennington County Auditor (includes Railroads & Utilities)

CITY OF RAPID CITY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS (UNAUDITED)  
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 512,285	\$ 532,797	\$ 634,358	\$ 670,608	\$ 740,673	\$ 790,871	\$ 857,305	\$ 904,924	\$ 994,605	\$ 1,076,992
Total net debt applicable to limit	46,196	55,984	55,984	55,000	49,509	87,400	79,719	80,743	77,944	122,914
Legal debt margin	\$ 466,089	\$ 476,813	\$ 578,374	\$ 615,608	\$ 691,164	\$ 703,471	\$ 777,586	\$ 824,181	\$ 916,661	\$ 954,078
Total net debt applicable to limit as percentage of debt limit	9.02%	10.51%	8.83%	8.20%	6.68%	11.05%	9.30%	8.92%	7.84%	11.41%

CITY OF RAPID CITY  
REVENUE BOND COVERAGE  
WATER, WASTEWATER, AIRPORT AND PARKING BONDS  
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Gross Revenue (2)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	14,104,444	7,634,291	6,470,153	890,062	582,068	1,472,130	4.40
2001	16,692,689	8,195,696	8,496,993	1,019,057	500,275	1,519,332	5.59
2002	21,527,982	9,640,108	11,887,874	993,108	675,897	1,669,005	7.12
2003	14,192,199 (1)	6,997,315 (1)	7,194,884	1,071,672 (3)	739,994	1,811,666	2.52
2004	17,449,741	10,362,410	7,087,331	1,147,940	785,442	1,933,382	2.73
2005	20,928,615	11,650,025	9,278,590	1,488,399	951,352	2,439,751	2.63
2006	21,885,948	13,805,413	8,080,535	1,558,739	776,582	2,335,321	2.89
2007	23,828,508	19,630,615	4,197,893	1,610,630	727,097	2,337,726	1.80
2008	23,676,658	19,255,466	4,421,192	779,213 (3)	664,609	1,443,822	3.06
2009	26,189,975	19,474,691	6,715,284	2,040,269	922,632	2,962,901	2.27

(1) Does not include Airport information as debt has been serviced.

(2) Does not include capital grants or capital contributions

(3) Parking debt was refunded. Principal payment was netted to refunding proceeds.

CITY OF RAPID CITY  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Population</u>		<u>Per Capita Income (1)</u>	<u>Median Age (4)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (1)</u>
2000	59,607	(4)	26,636	34.8	13,335	2.0%
2001	60,318	(5)	27,467	34.8	13,033	3.1%
2002	61,435	(5)	28,580	34.8	12,832	2.9%
2003	62,552	(5)	29,599	34.8	12,657	3.7%
2004	64,021	(5)	31,783	34.8	12,914	3.3%
2005	65,891	(5)	33,165	34.8	12,932	3.7%
2006	67,447	(5)	35,038	34.8	13,018	3.1%
2007	69,242	(5)	36,718	34.8	12,773	2.9%
2008	70,092	(5)	37,621	34.8	13,116	3.0%
2009	70,004	(5)	N/A	34.8	13,340	4.7%

(1) Pennington County. Statistics per SD Department of Labor

(2) Rapid City Independent School District

(3) Official 1990 Census

(4) Official 2000 Census

(5) Estimate provided by the City Transportation Planner

N/A Not available

CITY OF RAPID CITY  
PRINCIPAL EMPLOYERS (UNAUDITED)  
DECEMBER 31, 2009

Employer	Employees	Rank	Percentage of Employed Work Force
Ellsworth AFB	3,762	1	6.11%
Federal Government	2,679	2	4.35%
Rapid City Regional Hospital	2,535	3	4.11%
Black Hills Corporation	2,160	4	3.51%
Rapid City Area School District	1,650	5	2.68%
City of Rapid City	1,520	6	2.47%
State of South Dakota	1,128	7	1.83%
SD Army National Guard	1,013	8	1.64%
Walmart/Sam's Club	857	9	1.39%
Pennington County	612	10	0.99%
	17,916		29.08%

Source: Rapid City Economic Development Partnership



CITY OF RAPID CITY  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST NINE FISCAL YEARS (UNAUDITED)

Function:	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	28	28	28	29	29	30	30	40	44
Public Safety									
Police	123	123	128	128	129	131	131	130	134
Fire	111	99	111	112	106	106	106	105	105
Code Enforcement	3	3	3	3	3	3	3	4	3
Advocates for Community Enhancement	0	2	2	2	2	1	1	1	-
Public Works									
Street	45	50	50	50	50	50	50	52	52
Public Works Administration	23	23	24	24	24	25	26	26	27
Water Operations	36	36	36	36	36	36	36	36	37
Wastewater Operations	24	25	27	27	27	28	28	28	29
Solid Waste Collection	19	19	12	12	12	12	12	12	14
Solid Waste Disposal	7	7	7	7	7	8	8	8	8
Waste Municipal Recycling	11	13	23	23	23	24	24	24	24
Health and Welfare									
Ambulance	0	0	17	17	23	24	30	30	30
Public Transit	19	19	19	19	20	23	23	25	27
Air Quality	1	1	1	1	1	1	1	1	1
Culture and Recreation									
Recreation	3	3	4	4	3	3	3	3	3
Ice Arena	0	3	4	4	4	4	4	5	4
Golf Course	6	6	6	6	6	7	6	6	6
Parks	17	19	20	20	20	20	20	22	21
Swimming Pools	2	2	2	6	6	6	6	6	7
Cemetery	2	2	3	3	3	3	3	3	3
Library	22	28	33	33	33	33	33	34	39
Parks and Recreation Administration	0	0	0	2	2	2	2	3	3
Civic Center	32	33	33	33	33	33	33	36	36
Energy Plant	6	7	7	7	7	7	7	7	5
RSVP	2	2	2	2	2	2	2	2	2
Airport Operations	17	17	17	17	18	19	20	23	23
Conservation and Development									
GIS Mapping	4	4	4	4	4	4	4	3	3
Growth Management	29	29	29	29	29	30	33	33	32
Transportation Planning	4	4	4	4	4	4	4	5	5
Community Development	2	2	2	2	2	2	2	2	3
Parking Lot and Area	4	4	4	4	4	4	4	4	4
	602	613	662	670	672	685	695	714	732

Based on Permanent Budgeted Employees

CITY OF RAPID CITY  
MISCELLANEOUS STATISTICS (UNAUDITED)  
DECEMBER 31, 2009

Date of Incorporation - February 1883

Form of Government - Mayor/Council

Area - Square Miles - 54.98

Miles of Streets - 380.54

Number of Street Lights - 4557

Fire Protection

Number of Stations - 7

Number of Firefighters and Officers (including EMS) - 126

Number of Fire Hydrants - 4,022

Police Protection

Number of Stations - 1

Number of Police Officers - 108

Education (Elementary Only)

Attendance Centers - 16

Number of Students - 6326

Municipal Water Department

Number of Residential Consumers - 21,355

Average Residential Monthly Consumption - 6,388 gallons

Miles of Water Mains - 420.01

Sewers

Miles of Sanitary Sewer - 334.3

Miles of Storm Sewer - 127.4

Building Permits Issued (including remodeling and repair) - 3,043

Culture and Recreation

Number of Parks - 28 (consisting of more than 1,700 acres)

Number of Libraries - 2

Number of Volumes - in excess of 150,000

City Employees - 731.875

Total Salaries - \$37,534,556

CITY OF RAPID CITY  
SURETY BONDS (UNAUDITED)  
DECEMBER 31, 2009

Finance Officer

Bonding Company:	Western Surety Company	
Bond Number:	5712517	
Expiration Date:	Continued until cancelled	
Coverage	James Preston	\$ 250,000

Additional Coverage

Bonding Company:	Western Surety Company	
Bond Number:	5131714	
Expiration Date:	Continued until cancelled	
Coverage	All officers and employees	
	except Finance Officer	\$ 5,000
	Assistant Finance Officer	\$ 125,000
	Civic Center Manager	\$ 100,000
	Civic Center Business Manager	\$ 100,000
	Civic Center Administrative Secretary	\$ 100,000
	Administrator, Computer Services	\$ 50,000
	Civic Center Concession Manager	\$ 50,000



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*

To the City Council  
City of Rapid City, South Dakota

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of City of Rapid City (the City), South Dakota, as of and for the year ended December 31, 2009 and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2009-1 and 2009-3.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2009-2.

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in blue ink that reads "Casey Peterson & Associates, Ltd." with a stylized flourish at the end.

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota  
September 30, 2010



Report on Compliance With Requirements Applicable to Each  
Major Program and Internal Control Over Compliance in  
Accordance With OMB Circular A-133

To the City Council  
City of Rapid City, South Dakota

Compliance

We have audited the compliance of City of Rapid City (the City), South Dakota with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule findings and questioned costs as items 2009-5.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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 combination of deficiencies, in internal control over compliance, such that there is 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-4 and 2009-5 to be material weaknesses.

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in blue ink that reads "Casey Peterson & Associates, Ltd." with a stylized flourish at the end.

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota  
September 30, 2010

**CITY OF RAPID CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	CFDA NUMBERS	AMOUNT
<b>U.S. Department of Housing and Urban Development:</b>		
<i>Direct Federal Funding:</i>		
Community Development Block Grant/Entitlement (Note 2)	14.218	391,997.36
Community Development Special Projects	14.251	98,404.00
Community Development Block Grant Recovery Funds	14.253	5,852.40
		496,253.76
<b>U.S. Department of the Interior:</b>		
<i>Pass-Through the SD Department of Tourism and State Development</i>		
Historic Preservation Fund Grant-in-Aid	15.904	23,738.36
<i>Pass-Through the SD Department of Game Fish &amp; Parks</i>		
Outdoor Recreations, Acquisition, Development & Planning	15.916	50,000.00
		73,738.36
<b>U.S. Department of Justice:</b>		
<i>Direct Federal Funding:</i>		
Bullet Proof Vest Partnership Program	16.607	7,380.00
Public Safety Partnership and Community Policing Grant	16.710	72,100.02
Edward Byrne Memorial Justice Assistance Grant Program	16.738	885.00
<i>Pass-Through the S.D. Office of the Attorney General Recovery Funds</i>		
ARRA - Internet Crimes Against Children	16.800	9,000.00
Total U.S. Department of Justice		89,365.02
<b>U.S. Department of Transportation:</b>		
<i>Pass-Through the S.D. Department of Transportation:</i>		
Airport Improvement Program	20.106	1,673,896.52
Highway Planning and Construction	20.205	431,369.73
Metropolitan Planning Grants	20.505	67,756.62
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Highway Safety Cluster		
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	170,264.23
Incentive Grant Program to Increase Motorcyclist Safety	20.612	3,005.52
Total Highway Safety Cluster		173,269.75
Hemp Training Grant	20.703	23,449.05
<i>Direct Federal Funding:</i>		
ARRA Federal Transit - Formula Grants	20.507	1,161,033.00
Federal Transit - Formula Grants	20.507	1,167,105.00
Total U.S. Department of Transportation		4,697,879.67
<b>U.S. General Services Administration:</b>		
<i>Pass-through the SD Bureau of Administration - SD Federal Property Agency:</i>		
Donation of Federal Surplus Property	39.003	22,445.00
<b>National Foundation of the Arts and Humanities:</b>		
<i>Pass-Through the SD Department of Tourism and State Development - SD Arts Council</i>		
Promotion of the Arts and Humanities Grant	45.025	1,739.00
<b>U.S. Environmental Protection Agency:</b>		
<i>Direct Federal Funding:</i>		
Performance Partnership Grant	66.605	34,008.07
Total U.S. Environmental Protection Agency		34,008.07
<b>Corporation for National and Community Service:</b>		
<i>Direct Federal Funding:</i>		
Retired and Senior Volunteer Program	94.002	53,864.96
<b>U.S. Department of Homeland Security:</b>		
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Hazardous Materials Assistance Program	97.021	2,538.00
<b>Total</b>		<b>\$5,471,831.84</b>

Note 1 - Basis of Accounting - This schedule is prepared on the accrual basis of accounting

Note 2 - The City had subrecipients of the CDBG program as follows:

Western Resources for Dis-abled Independence	14,064.86
Teton Housing Coalition	27,282.55
Habitat for Humanity	73,673.11
Behavior Management Systems	38,556.15
Rapid City Community Health	5,783.88
211 Helpline	5,000.00
Dakota Plains Legal Services	5,000.00
Working Against Violence	5,000.00
Rapid City Community Development	27,938.00
Salvation Army	28,392.23
Youth & Family Services	5,277.00
	235,967.78



**City of Rapid City, South Dakota**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2009**

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**SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS**

- a. The independent auditors' report expressed an unqualified opinion on the financial statements of the City of Rapid City, South Dakota.
- b. Significant deficiencies relating to the audit of the financial statements are reported in the 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*. The following significant deficiencies are considered material weaknesses: 2008-1 and 2008-3.
- c. Noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, is disclosed within this schedule as item 2008-2.
- d. The independent auditors' report on compliance for the major federal award programs for the City of Rapid City expresses an unqualified opinion on all major federal programs.
- e. Significant deficiencies in internal control related to major federal programs were reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. The significant deficiencies reported as findings 2008-4 and 2008-5 are reported as material weaknesses.
- f. Audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in this schedule.
- g. The federal awards tested as major programs were:
  - Federal Transit Formula Grants (CFDA 20.507)
  - ARRA – Federal Transit Formula Grants (CFDA 20.507)
  - Airport Improvement Program (CFDA 20.106)
  - Highway Safety Cluster:
    - Alcohol Impaired Driving Countermeasures Incentive Grant I (CFDA 20.601)
    - Incentive Grant Program to Increase Motorcyclist Safety (CFDA 20.612)
- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$300,000.
- i. City of Rapid City did not qualify as a low-risk entity.

**City of Rapid City, South Dakota**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2009**

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**FINDINGS - FINANCIAL STATEMENTS AUDIT**

2009-1 *Condition and Criteria:* Year-end journal entries, supporting schedules, and the financial statements are prepared by the Assistant Finance Officer. There is not a formal process whereby this information is analyzed or examined in detail by someone to identify misstatements. Such procedures should be incorporated into the year-end close process to identify and prevent misstatements. The Assistant Finance Officer is primarily responsible for these functions and limited involvement by other staff has resulted in a lack of segregation of duties, related to year-end journal entries, certain reconciliations, and the preparation of the financial statements.

*Effect:* The audit identified and corrected several material misstatements. This condition also results in an increased risk of errors in reporting requirements applicable to federal awards.

*Cause:* The aforementioned information is prepared by the Assistant Finance Officer with little oversight to provide for a detailed analysis and examination of the year-end reconciliations, journal entries, and the financial statements. Limited staff in the finance office available to assist in the year-end close process is also a factor in this lack of segregation of duties.

*Auditors' Recommendation:* The City should implement a system of internal controls whereby the year-end work performed by finance office staff is reviewed and approved. The City should also consider hiring a third party accounting firm to help with the year end reporting process, to relieve the finance office staff of the significant time burden involved in reconciling and preparing the annual financial report.

2009-2 *Condition and Criteria:* During our review of statutory compliance we noted the City over-expended the budgeted appropriations for departments within several funds. According to SDCL 9-21-9, expenditures are limited to the amount appropriated for such purposes in the annual appropriation ordinance.

*Effect:* Expenditures were approved by the City Council, which were not considered in the annual budget appropriation or supplemental appropriations approved by the City Council. This has resulted in noncompliance with SDCL 9-21-9.

*Cause:* The City does not have an adequate system of internal controls to prevent expenditures that are in excess of approved appropriations prior to payment.

*Auditors' Recommendation:* We recommend that the City continue to evaluate compliance with the budget regularly and make budget amendments considered necessary.

**City of Rapid City, South Dakota**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2009**

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2009-3 *Condition and Criteria:* The City does not have adequate internal controls to ensure the identification and proper recording of revenues at year-end. Audit procedures identified several cash receipts that were not properly reported as revenues at year-end. In addition, we noted unrecorded receivables related to cost reimbursement grants and special assessments which also resulted in incorrect revenue recognition.

*Effect:* Audit adjustments were proposed to record additional accounts receivable and correct revenue recognition of the grants and special assessments.

*Cause:* The City records revenues when supporting documentation is received rather than at the time cash is received or when the revenue is earned. In addition, there currently is not a procedure in place to ensure that expenditures on cost reimbursement grants are reconciled to revenues recorded on the general ledger or that completed projects are reimbursed by granting agencies in a timely manner. These conditions exist due to a lack of communications between the Finance Office and other departments of the City.

*Auditors' Recommendation:* Bank statements should be reviewed at the year-end to ensure all revenues are captured in the correct period. At the end of each year expenditures under cost reimbursement grants should be reconciled to revenues recorded on the general ledger to ensure all receivables are recorded. Cash receipts on grants and other payments received subsequent to year-end should be analyzed to determine the amount of deferred revenue that should be recorded. Correspondence with third parties, such as property tax statements from the county, should be reconciled with the corresponding amounts recorded for deferred revenue, accounts receivable and total revenue.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**U.S. DEPARTMENT OF TRANSPORTATION**

Airport Improvement Program (CFDA # 21.106), Federal Transit Formula Grants (CFDA # 20.507), Alcohol Impaired Driving Countermeasures Incentive Grant I (CFDA #20.601), Incentive Grant Program to Increase Motorcyclist Safety (CFDA #20.612)

2009-4 See Finding 2009-1 for a description of the condition, criteria, effect, cause, and auditors' recommendation.

2009-5 *Condition and Criteria:* The federal Office of Management and Budget's *Circular A-133* sets forth standards for consistency and uniformity of reporting among federal agencies for the audit of non-federal entities expending federal awards. During our testing of the Schedule of Expenditures of Federal Awards (SEFA), we noted several material errors.

*Effect:* The audit identified and corrected the following errors on the SEFA:

- Expenditures that were reimbursed with State Awards were not properly disclosed or separated from federal awards on the SEFA.
- Recovery Act federal funds expended were not tracked and reported separately from non-Recovery Act federal funds in the SEFA or in the accounting records.
- The SEFA was prepared using revenues received rather than expenditures incurred by the City.
- Federal award programs were not properly titled according to the Catalog of Federal Domestic Assistance (CFDA).

**City of Rapid City, South Dakota**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2009**

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*Cause:* There is a lack of oversight in the preparation of the Schedule of Expenditure of Federal Awards and monitoring of compliance requirements applicable to federal grant awards. In addition to the lack of oversight, there is a lack of communication between City departments that administer programs and the finance office that reports on programs and requests reimbursements for such awards.

*Auditors' Recommendation:* The City should implement a system of internal controls whereby the Schedule of Expenditures of Federal Awards is prepared by the Grant Administrator and is analyzed and examined in detail. In addition, office personnel involved with grants need to receive training on compliance and funding requirements applicable to federal awards.

# City of Rapid City, South Dakota

## Corrective Action Plan

### December 31, 2009

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The City of Rapid City, South Dakota respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and address of independent public accounting firm:

Casey Peterson & Associates, Ltd.  
505 Kansas City St  
Rapid City SD 57702

The findings from the December 31, 2009 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. James F. Preston, Finance Officer, is responsible for corrective action of the findings disclosed within this document.

#### US DEPARTMENT OF TRANSPORTATION

2009-1 *Condition and Criteria:* Year-end journal entries, supporting schedules, and the financial statements are prepared by the Assistant Finance Officer. There is not a formal process whereby this information is analyzed or examined in detail by someone to identify misstatements. Such procedures should be incorporated into the year-end close process to identify and prevent misstatements. The Assistant Finance Officer is primarily responsible for these functions and limited involvement by other staff has resulted in a lack of segregation of duties, related to year-end journal entries, certain reconciliations, and the preparation of the financial statements.

*Auditors' Recommendation:* The City should implement a system of internal controls whereby the year-end work performed by finance office staff is reviewed and approved. The City should also consider hiring a third party accounting firm to help with the year end reporting process, to relieve the finance office staff of the significant time burden involved in reconciling and preparing the annual financial report.

*Action Taken:* A training program will be put into place to allow the Chief Accountant to prepare the year-end financial statements beginning with the year ending December 31, 2009. This will enable the Assistant Finance Manager to retain a supervisory role in the process. The City Finance Officer is responsible for this corrective action plan.

2009-2 *Condition and Criteria:* During our review of statutory compliance we noted the City over-expended the budgeted appropriations for departments within several funds. According to SDCL 9-21-9, expenditures are limited to the amount appropriated for such purposes in the annual appropriation ordinance.

*Auditors' Recommendation:* We recommend that the City continue to evaluate compliance with the budget regularly and make budget amendments considered necessary.

**City of Rapid City, South Dakota**  
**Corrective Action Plan**  
**December 31, 2009**

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*Action Taken:* The Finance Office will evaluate compliance with the budget prior to year-end to make any amendments considered necessary through the supplemental appropriation process. The City Finance Officer is responsible for this corrective action plan.

- 2009-3 *Condition and Criteria:* The City does not have adequate internal controls to ensure the identification and proper recording of revenues at year-end. Audit procedures identified several cash receipts that were not properly reported as revenues at year-end. In addition, we noted unrecorded receivables related to cost reimbursement grants and special assessments which also resulted in incorrect revenue recognition.

*Auditors' Recommendation:* Bank statements should be reviewed at the year-end to ensure all revenues are captured in the correct period. At the end of each year expenditures under cost reimbursement grants should be reconciled to revenues recorded on the general ledger to ensure all receivables are recorded. Cash receipts on grants and other payments received subsequent to year-end should be analyzed to determine the amount of deferred revenue that should be recorded. Correspondence with third parties, such as property tax statements from the county, should be reconciled with the corresponding amounts recorded for deferred revenue, accounts receivable and total revenue.

*Action Taken:* The Finance Office will request year-end reports from the other departments detailing the revenues received during the year and compare them to the general ledger. The Finance Office will complete a spreadsheet reconciling expenditures with grant revenues recorded on the general ledger to ensure all receivables are recorded as well as the deferred revenue in regards to reimbursement grants. In addition, the Finance Office will correspond with outside entities to ensure that revenues and expenditures are recorded in the correct period. The Finance Officer is responsible for the corrective action plan.

- 2009-4 See Finding 2009-1 for a description of this finding and the City's corrective action.

- 2009-5 *Condition and Criteria:* The federal Office of Management and Budget's *Circular A-133* sets forth standards for consistency and uniformity of reporting among federal agencies for the audit of non-federal entities expending federal awards. During our testing of the Schedule of Expenditures of Federal Awards (SEFA), we noted several material errors.

*Auditors' Recommendation:* The City should implement a system of internal controls whereby the Schedule of Expenditures of Federal Awards is prepared by the Grant Administrator and is analyzed and examined in detail. In addition, office personnel involved with grants need to receive training on compliance and funding requirements applicable to federal awards.

*Action Taken:* The Finance Office will have the Accounting and Grants Manager prepare the Schedule of Federal Awards and the report will be analyzed by the Chief Accountant and the Assistant Finance Officer. In the past, including 2009, the Assistant Finance Officer has prepared the final Schedule of Federal Awards and it had not been reviewed by other personnel. In addition, the Finance Office will continue to look for training on compliance and funding requirements applicable to federal awards. The Finance Officer is responsible for the corrective action plan.

**City of Rapid City, South Dakota  
Summary of Prior Audit Findings  
December 31, 2009**

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**PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

2008-5 This finding is identical to finding 2009-1 and has not been resolved.

2008-6 This finding is identical to finding 2009-3 and has not been resolved.

2007-3 This finding is identical to finding 2009-1 and has not been resolved.