

**CITY OF RAPID CITY,
SOUTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2010

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, 2010

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CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

300 Sixth Street
Rapid City, South Dakota 57701-5035
605-394-4143

September 28, 2011

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, 2010 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, information on overlapping governments, demographics, and other miscellaneous information.
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,



EQUAL HOUSING
OPPORTUNITY

iv
EQUAL OPPORTUNITY EMPLOYER


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 2010 was Ketel, Thorstenson, LLP. 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,



Pauline Sumption
Finance Officer

CITY OF RAPID CITY
ELECTED OFFICIALS AND PRINCIPAL OFFICERS
DECEMBER 31, 2010

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, 2010 were as follows:

<u>ELECTIVE OFFICIALS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Alan Hanks	Mayor	2011
Gary Brown	Council Representative	2012
Ron Weifenbach	Council Representative	2011
Sam Kooiker	Council Representative	2012
Deb Hadcock	Council Representative	2011
Dave Davis	Council Representative	2012
Bill Waugh	Council Representative	2011
Jordan Mason	Council Representative	2012
Ron Kroeger	Council Representative	2011
Aaron Costello	Council Representative	2011
Bonny Petersen	Council Representative	2012

PRINCIPAL OFFICERS

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

CITY OF RAPID CITY
APPOINTED BOARDS
December 31, 2010

LIBRARY BOARD - 3 YEAR TERMS

TERM EXPIRES

James Olson, Chairman	December 2013
Richard Haeder	December 2012
Sandra McNeely	December 2011
Laura Patterson	December 2011
Monte Loos	December 2013

CIVIC CENTER BOARD - 3 YEAR TERMS

Eddie Rypkema, Chairman	January 2012
John Herr	January 2014
Rich Huffman	January 2012
Chris Haugo	January 2014
Batool Merali	January 2012

AIRPORT BOARD - 5 YEAR TERMS

Bert Corwin, President	May 2012
Dick McConnell	May 2013
Lisa Modrick	May 2013
Ron Johnsen	May 2013
Dan Kuecker	May 2012

PLANNING COMMISSION - 3 YEAR TERMS

Julie Gregg, Chairman	July 2011
Dennis Popp	July 2013
Kay Rippentrop	July 2013
John Brewer	July 2013
Pat Wyss	July 2011
Linda Marchand	July 2013
Steve Rolinger	July 2011
Andy Scull	July 2013
Erik Braun	July 2012
Dennis Landguth	July 2012
Douglas Kinniburgh	July 2011
Eric Christianson	July 2012

CITY OF RAPID CITY
 ORGANIZATIONAL CHART
 DECEMBER 31, 2010

CITIZENS ELECTORATE OF RAPID CITY, SOUTH DAKOTA
CITY COUNCIL

MAYOR
 Alan Hanks

Library Board
 James Olson, Chairman

Civic Center Board
 Eddie Rypkema

Library Director
 Greta Chapman

Civic Center Director
 Brian Maliske

Planning Commission
 Julie Gregg, Chairman

Airport Board
 Bert Corwin, President

Growth Management Director
 Marcia Elkins

Airport Manager
 Cameron Humphres

Attorney J. Green	Finance P. Sumption	Community Resources J. Barbier	Parks and Recreation J. Cole	Public Works R. Ellis	Police S. Allender	Fire M. Maltaverne
	J. Barbier		Aquatics D. Olney	Water J. Wagner		
			Parks L. VanDeusen	Water Reclamation D. VanCleave		
			Recreation D. Lowe	Streets D. Brumbaugh		
				Sanitation K. Merbach		
				Transit R. Sagen		

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Ketel Thorstenson, LLP

Certified Public Accountants

810 Quincy Street

P.O. Box 3140, Rapid City, South Dakota 57709

Telephone (605) 342-5630 • e-mail: ktllp@ktllp.com

INDEPENDENT AUDITOR'S REPORT

Sam Kooiker, Mayor
and Common Council
City of Rapid City
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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rapid City as of December 31, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then 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 28, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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, the required supplementary budgetary comparison schedules, and the Schedule of Funding Progress for Retiree Health Insurance Coverage on pages 3 through 10, pages 59 through 64, and page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to all of 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.

The Honorable Mayor and Common Council
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, budgetary comparison schedules and statistical section on pages i through viii, pages 66 through 86, pages 87 through 129, and pages 131 through 150, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 155 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.



KETEL THORSTENSON, LLP
Certified Public Accountants

September 28, 2011

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, 2010. 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 \$558,403,624.11 (Net assets). Of this amount, \$81,533,974.17 (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 \$28,546,454.61
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$58,871,694.21
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10,486,265.90 or about twenty-four percent (24%) of total general fund expenditures.
- The City of Rapid City's total debt increased by \$19,683,856.83 during the current fiscal year after taking into account the other post employment benefit liability. \$17,945,000.00 of the increase is due to the financing for Airport improvement projects, construction of which is to begin in FY 2011. 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 forty-three (43) 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 and its budgetary comparison schedules are presented immediately following the required supplementary information can be found on pages 66-129 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 \$558,403,624.11 at the close of the most recent fiscal year.

By far the largest portion of the City of Rapid City’s total assets (76.3%) 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)						
	Government		Business-type		Total	
	Activities		Activities			
	2009	2010	2009	2010	2009	2010
Current and Other Assets	\$ 75,519	\$ 74,578	\$ 83,825	\$ 100,012	\$ 159,344	\$ 174,589
Capital Assets	241,024	257,317	285,685	303,442	526,709	560,760
Total Assets	316,543	331,895	369,510	403,454	686,053	735,349
Long-term liabilities outstanding	58,372	59,944	70,429	75,470	128,801	135,413
Other liabilities	20,294	20,492	6,324	21,040	26,618	41,532
Total liabilities	78,666	80,435	76,753	96,510	155,419	176,945
Net assets:						
Invested in capital assets, net of	172,182	187,793	259,988	249,503	432,170	437,296
Restricted	14,759	13,367	3,094	26,207	17,853	39,573
Unrestricted	50,936	50,300	29,674	31,234	80,610	81,534
Total net assets	\$ 237,877	\$ 251,460	\$ 292,756	\$ 306,944	\$ 530,633	\$ 558,404

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 (\$81,533,974.17) 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)

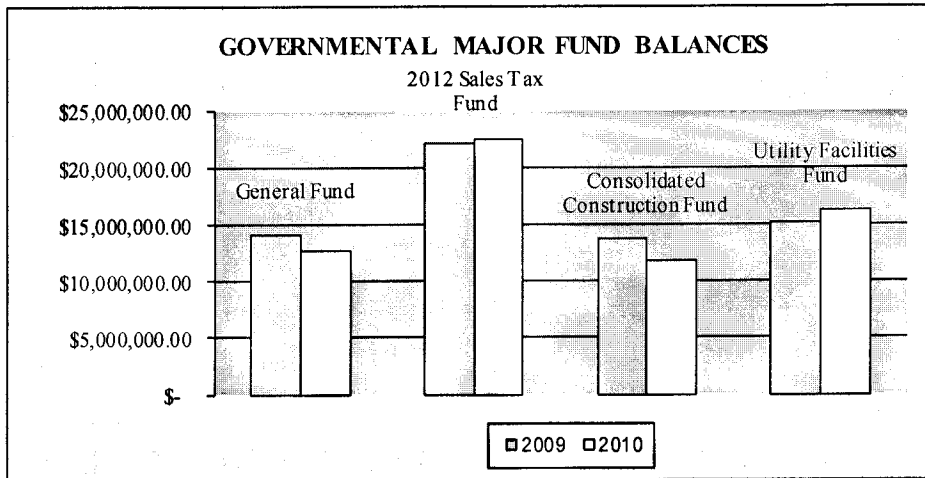
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2010	2009	2010	2009	2010
Revenues:						
Program Revenues						
Charges for services	\$ 5,963	\$ 4,893	\$ 44,278	\$ 44,806	\$50,241	\$ 49,699
Operating grants & contributions	2,302	2,295	-	-	2,302	2,295
Capital grants and contributions	3,152	3,776	1,533	7,233	4,685	11,009
General Revenues						
Property taxes	18,260	21,531	-	-	18,260	21,531
Other taxes	44,575	45,509	3,306	3,422	47,881	48,931
State/County shared revenue	1,346	1,464	-	-	1,346	1,464
Unrestricted investment earnings	1,215	2,093	606	1,329	1,821	3,423
Other	(171)	122	303	213	132	335
Total Revenues	76,642	81,682	50,026	57,004	126,668	138,685
Expenses:						
General government	2,980	3,161	-	-	2,980	3,161
Public safety	20,432	20,490	-	-	20,432	20,490
Public works	16,769	18,573	-	-	16,769	18,573
Health and welfare	2,963	3,118	-	-	2,963	3,118
Conservation & development	4,685	3,754	-	-	4,685	3,754
Culture & recreation	9,626	9,921	-	-	9,626	9,921
Interest on long-term debt	3,359	5,072	-	-	3,359	5,072
Miscellaneous	1,239	1,482	-	-	1,239	1,482
Water reclamation	-	-	6,314	6,955	6,314	6,955
Water	-	-	7,371	9,871	7,371	9,871
Golf	-	-	1,021	980	1,021	980
Recycling	-	-	2,876	2,620	2,876	2,620
Executive Golf	-	-	228	213	228	213
Airport	-	-	5,213	5,496	5,213	5,496
Waste collection	-	-	1,686	1,825	1,686	1,825
Waste disposal	-	-	2,422	2,216	2,422	2,216
Civic center	-	-	10,114	10,166	10,114	10,166
Cemetery	-	-	248	242	248	242
Parking	-	-	577	597	577	597
Energy plant	-	-	244	368	244	368
Transportation terminal	-	-	101	85	101	85
Ambulance	-	-	2,557	2,932	2,557	2,932
Total Expenses	62,053	65,572	40,972	44,567	103,025	110,139
Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers	14,589	16,110	9,054	12,437	23,643	28,546
Fund Transfers	(9,904)	(3,258)	9,904	3,258	-	-
Change in Net Assets	4,685	12,852	18,958	15,695	23,643	28,546
Net Assets-Beginning	232,682	237,878	276,947	292,755	509,629	530,633
Prior Period Adjustment	511	731	(3,150)	(1,507)	(2,639)	(776)
NET ASSETS - ENDING	\$237,878	\$ 251,460	\$292,755	\$306,943	530,633	\$558,403

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.

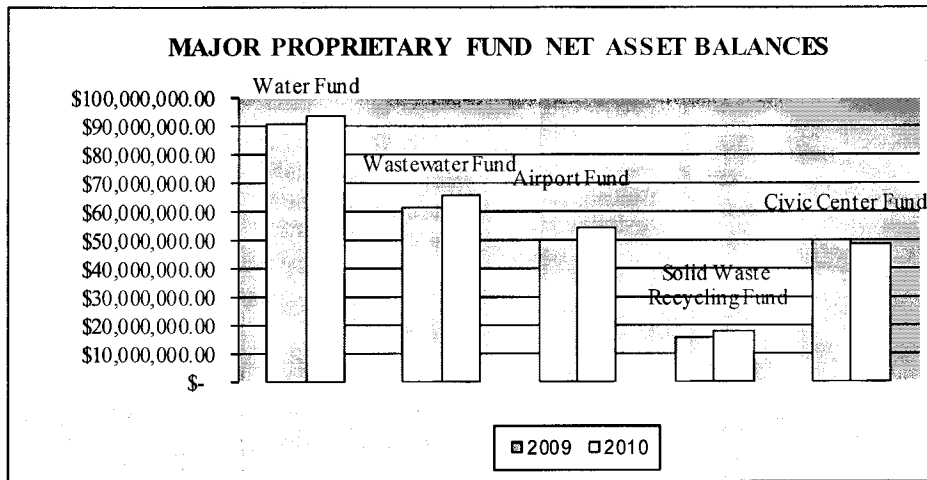
At the end of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$58,871,694.21. Approximately 61.26% of this total amount (\$36,065,422.92) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$12,281,419.21) for inventories (\$590,274.85), 3) for advances to other funds (\$6,321,732.92), 4) notes receivable (\$2,582,339.06), 5) for the business improvement districts (\$1,025,791.06) and 6) for the RSVP program (\$4,714.19).

The General Fund balance decreased by \$1,347,404.15 in 2010, which was primarily due to a decrease in revenues such as federal grants (\$1,139,417.31). The 2012 Sales Tax Fund balance increased \$371,894.64 due to an increase in sales taxes and interest earnings. The Consolidated Construction Fund balance decreased \$1,969,106.32 due to payment for projects as approved in the Construction Improvement plan. The Utility Facilities Fund balance increased \$1,124,786.22 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 - \$6,364,022.43, wastewater - \$7,647,983.35, airport - \$1,358,446.70, waste recycling - \$5,941,880.97, civic center - \$370,291.58, waste collection - \$1,616,161.70, waste disposal - \$4,274,295.52, executive golf - (\$8,164.23), cemetery - \$70,408.64, golf - (\$38,958.19), parking lot - \$633,764.82, energy plant - (\$220,717.55) ambulance - \$1,935,849.37 and transportation terminal - \$121,721.89. Ten funds had increases in net assets in 2010 and those increases are as follows: water - \$3,928,640.48, wastewater - \$4,171,598.76, airport - \$4,856,187.93, waste recycling - \$1,553,921.93, waste collection - \$218,085.27, waste disposal - \$1,215,251.59, cemetery - \$47,900.78, golf course - \$3,905.79, parking - \$81,327.08, and transportation terminal \$1,119,211.92. Four funds had decreases in net assets. These decreases are as follows: civic center - (\$1,460,767.97), executive golf - (\$3,291.05), energy plant - (\$61,965.50) and ambulance (\$126,269.93).



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 2010 the City of Rapid City spent \$902,890.43 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 2010 the City of Rapid City spent \$808,732.06 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, 2010 amounts to \$437,296,309.60 (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; reconstruction of the Airport fire station; Airport main terminal expansion, which will be completed in 2011; 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	
	2009	2010	2009	2010	2009	2010
Land and land improvements	\$ 41,984	\$ 41,984	\$ 15,812	\$ 15,812	\$ 57,796	\$ 57,796
Buildings	63,914	66,516	135,668	136,914	199,582	203,431
Improvements	220,994	244,062	233,741	241,130	454,735	485,192
Machinery and equipment	24,681	26,108	22,282	24,607	46,963	50,716
Construction in Progress	7,791	10,551	13,457	29,144	21,248	39,695
Total	359,364	389,221	420,960	447,607	780,324	836,829
Less accumulated depreciation	(118,340)	(131,904)	(135,275)	(144,165)	(253,615)	(276,069)
Total capital assets	\$ 241,024	\$ 257,317	\$ 285,685	\$ 303,442	\$ 526,709	\$ 560,760

Long-term debt.

Government activities: \$ 72,867,655.34
 Business-type activities 91,699,247.47
 \$164,566,902.81

Current portion \$ 29,153,447.81

City of Rapid City's Outstanding Debt
 (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenue Bonds	\$ 41,561	32,943	\$ 56,704	\$ 73,717	\$ 98,265	\$ 106,660
Unamortized Premium	1,315	988	(725)	(722)	590	266
Revolving Loan	2,660	-	11,346	13,371	14,006	13,371
Landfill Closure	-	-	1,289	1,334	1,289	1,334
Tax Increment Financing	22,716	34,381	-	-	22,716	34,381
Lease/Purchase	589	1,214	3,631	2,669	4,220	3,883
Other Post Employment Benefits	1,158	1,442	441	544	1,599	1,986
Compensated Absences	2,161	1,901	814	785	2,975	2,686
Total	\$ 72,160	\$ 72,868	\$ 73,500	\$ 91,699	\$ 145,660	\$ 164,567

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 \$1,171,917,306. \$78,813,596 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, 2010**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS:				
Cash & Cash Equivalents	\$ 24,022,220.75	\$ 14,116,945.49	\$ 38,139,166.24	\$ 51,593.00
Investments	27,660,854.30	12,966,011.33	40,626,865.63	-
Accounts Receivable, Net	13,592,804.63	6,946,506.49	20,539,311.12	23,712.00
Internal Balances (see Note 5)	(1,897,402.18)	1,897,402.18	-	-
Other Assets	590,274.85	319,972.13	910,246.98	182,803.00
Deferred Charges	331,865.00	509,287.16	841,152.16	12,449.00
Restricted Assets:				
Cash with Fiscal Agent	10,277,057.53	61,921,339.03	72,198,396.56	-
Restricted Cash	-	1,334,353.73	1,334,353.73	132,525.00
Capital Assets:				
Land and Construction in Progress (see Note 2)	52,534,946.98	44,955,736.73	97,490,683.71	-
Other Capital Assets, Net of Depreciation (see Note 2)	204,782,447.80	258,486,419.07	463,268,866.87	139,497.00
TOTAL ASSETS	\$ 331,895,069.66	\$ 403,453,973.34	\$ 735,349,043.00	\$ 542,579.00
LIABILITIES:				
Accounts Payable	\$ 5,629,413.97	\$ 3,172,333.84	\$ 8,801,747.81	\$ 11,622.00
Other Current Liabilities	1,937,984.71	1,638,783.56	3,576,768.27	20,882.00
Noncurrent Liabilities				
Due Within One Year	12,924,126.95	16,229,320.86	29,153,447.81	-
Due in More Than One Year	59,943,528.39	75,469,926.61	135,413,455.00	-
TOTAL LIABILITIES	80,435,054.02	96,510,364.87	176,945,418.89	32,504.00
NET ASSETS:				
Invested in Capital Assets Net of Related Debt	187,793,015.36	249,503,294.24	437,296,309.60	139,497.00
Restricted for:				
Debt Service	10,277,057.53	26,206,565.43	36,483,622.96	-
Cemetery Trust Fund	4,850.45	-	4,850.45	-
Cemetery Trust Fund - Nonexpendable	50,000.00	-	50,000.00	-
Other Purposes - TID Debt Service	2,004,361.68	-	2,004,361.68	-
Other Purposes - Dwntrn Business Impr District	1,009,410.25	-	1,009,410.25	-
Other Purposes - Business Impr District	16,380.81	-	16,380.81	-
Other Purposes - RSVP	4,714.19	-	4,714.19	-
Other Purposes - Component Unit	-	-	-	132,525.00
Unrestricted	50,300,225.37	31,233,748.80	81,533,974.17	238,053.00
TOTAL NET ASSETS	251,460,015.64	306,943,608.47	558,403,624.11	510,075.00
TOTAL LIABILITIES AND NET ASSETS	\$ 331,895,069.66	\$ 403,453,973.34	\$ 735,349,043.00	\$ 542,579.00

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, 2010**

	----- Program Revenues -----				Net (Expense) Revenue and ----- Changes in Net Assets -----			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Functions/Programs								
Primary Government								
Governmental Activities:								
General Government	\$ 3,161,135.92	\$ 874,019.83	\$ -	\$ -	\$ (2,287,116.09)	\$ -	\$ (2,287,116.09)	\$ -
Public Safety	20,489,977.57	733,084.98	428,737.19	-	(19,328,155.40)	-	(19,328,155.40)	-
Public Works	18,573,253.69	125,695.04	71,651.00	2,744,555.92	(15,631,351.73)	-	(15,631,351.73)	-
Health and Welfare	3,118,120.82	344,638.09	746,652.60	1,031,150.00	(995,680.13)	-	(995,680.13)	-
Culture, Recreation	9,920,803.30	1,715,176.11	71,122.39	-	(8,134,504.80)	-	(8,134,504.80)	25,321.00
Conservation and Development	3,754,414.16	942,274.52	976,763.75	-	(1,835,375.89)	-	(1,835,375.89)	-
Interest on Long Term Debt	5,072,389.52	-	-	-	(5,072,389.52)	-	(5,072,389.52)	-
Miscellaneous Expenditures	1,482,151.02	158,203.97	-	-	(1,323,947.05)	-	(1,323,947.05)	-
Total Governmental Activities	65,572,246.00	4,893,092.54	2,294,926.93	3,775,705.92	(54,608,520.61)	-	(54,608,520.61)	25,321.00
Business-Type Activities:								
Water	9,871,094.06	11,476,767.17	-	1,369,360.00	-	2,975,033.11	2,975,033.11	-
Water Reclamation	6,954,714.49	9,509,087.18	-	109,353.00	-	2,663,725.69	2,663,725.69	-
Airport	5,495,507.45	5,160,054.99	-	4,942,740.17	-	4,607,287.71	4,607,287.71	-
Solid Waste Disposal	2,216,215.11	2,575,068.45	-	612,577.00	-	971,430.34	971,430.34	-
Solid Waste MRF/Compost	2,620,257.66	3,364,464.09	-	-	-	744,206.43	744,206.43	-
Civic Center	10,165,664.35	5,403,175.89	-	192,138.00	-	(4,570,350.46)	(4,570,350.46)	-
Solid Waste Collection	1,825,481.69	2,247,254.79	-	-	-	421,773.10	421,773.10	-
Executive Golf Course	213,418.96	137,336.75	-	-	-	(76,082.21)	(76,082.21)	-
Cemetery	241,980.19	154,601.57	-	7,027.00	-	(80,351.62)	(80,351.62)	-
Golf Course	980,111.42	967,139.10	-	-	-	(12,972.32)	(12,972.32)	-
Parking Lot & Area	597,240.06	678,863.74	-	-	-	81,623.68	81,623.68	-
Energy Plant	367,807.11	313,295.04	-	-	-	(54,512.07)	(54,512.07)	-
Ambulance	2,931,835.74	2,792,755.37	-	-	-	(139,080.37)	(139,080.37)	-
Transportation Terminal	85,459.92	26,366.83	-	-	-	(59,093.09)	(59,093.09)	-
Total Business-type Activities	44,566,788.21	44,806,230.96	-	7,233,195.17	-	7,472,637.92	7,472,637.92	-
Total Primary Government	\$ 110,139,034.21	\$ 49,699,323.50	\$ 2,294,926.93	\$ 11,008,901.09	\$ (54,608,520.61)	\$ 7,472,637.92	\$ (47,135,882.69)	\$ 25,321.00
General Revenues:								
Taxes:								
Property Taxes				21,530,507.34	-	21,530,507.34	-	-
Sales Taxes				43,324,948.72	3,217,014.56	46,541,963.28	-	-
Other Taxes				2,183,768.92	204,896.36	2,388,665.28	-	-
State Shared Revenue				1,207,122.17	-	1,207,122.17	-	-
County Shared Revenue				256,455.68	-	256,455.68	-	-
Unrestricted Investment Earnings				2,093,238.99	1,329,499.28	3,422,738.27	-	-
Miscellaneous Revenue				159,242.00	668,583.15	827,825.15	-	-
Loss on disposal of Capital Assets				(37,130.90)	(455,808.97)	(492,939.87)	-	-
Transfers				(3,258,119.92)	3,258,119.92	-	-	-
Total General Revenue, Loss and Transfers				67,460,033.00	8,222,304.30	75,682,337.30	-	-
Change in Net Assets				12,851,512.39	15,694,942.22	28,546,454.61	25,321.00	25,321.00
Net Assets, Beginning				237,877,550.78	292,755,879.72	530,633,430.50	484,754.00	484,754.00
Prior Period Adjustments								
Interfund Loan Adjustment				730,952.47	(730,952.47)	-	-	-
Previous Loan Draw Recorded as Revenue				-	(776,261.00)	(776,261.00)	-	-
Net Assets, Ending				\$ 251,460,015.64	\$ 306,943,608.47	\$ 558,403,624.11	\$ 510,075.00	\$ 510,075.00

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, 2010**

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
101 Cash and Cash Equivalents	\$ 1,563,014.86	\$ 1,619,957.30	\$ 105,677.02	\$ 7,288,653.76	\$ 3,443,370.52	\$ 14,020,673.46
102 Restricted Cash	-	1,000,000.00	-	-	147,060.30	1,147,060.30
106 Cash with Fiscal Agent, Restricted	-	4,660,853.27	2,957,010.82	2,659,193.44	-	10,277,057.53
151 Investments	6,989,559.88	14,915,251.88	2,913,844.71	1,176,441.28	47,658.70	26,042,756.45
110 Property Taxes Receivable--Delinquent	293,233.19	-	-	-	496,522.67	789,755.86
110 Sales Tax Receivable	2,870,164.94	1,435,082.47	1,435,082.47	499,159.10	-	6,239,488.98
115 Accounts Receivable	117,233.37	-	-	-	67,146.82	184,380.19
121 Special Assessments Receivable--Current	23,627.13	-	-	-	2,286.00	25,913.13
122 Special Assessments Receivable--Delinquent	81,230.60	-	-	-	22,614.08	103,844.68
123 Special Assessments Receivable--Deferred	144,776.75	-	-	-	38,472.50	183,249.25
128 Notes Receivable	-	-	2,582,339.06	-	-	2,582,339.06
131 Due from Other Funds (see Note 5)	206,113.35	25,097.02	275,628.05	489,155.92	-	995,994.34
133 Advance to Other Funds (see Note 5)	1,641,241.66	54,801.85	219,569.20	4,406,120.21	-	6,321,732.92
132 Due from Other Governments (see Note 6)	909,820.69	-	1,693,048.57	-	41,564.13	2,644,433.39
135 Interest Receivable	92,483.34	67,990.51	101,461.65	15,321.97	7,828.51	285,085.98
144 Inventory	590,274.85	-	-	-	-	590,274.85
TOTAL ASSETS	\$ 15,522,774.61	\$ 23,779,034.30	\$ 12,283,661.55	\$ 16,534,045.68	\$ 4,314,524.23	\$ 72,434,040.37
LIABILITIES AND FUND BALANCES:						
<i>Liabilities:</i>						
201 Claims Payable	1,232,425.23	803,733.16	485,400.88	83,089.83	338,732.54	2,943,381.64
216 Wages Payable	787,720.75	-	-	-	11,346.22	799,066.97
208 Due to Other Funds (see Note 5)	-	-	-	-	1,658,250.02	1,658,250.02
215 Accrued Interest Payable - Arbitrage (Note 4)	-	568,771.00	-	225,835.42	-	794,606.42
209 Advance from Other Funds (see Note 5)	-	-	-	-	6,390,117.62	6,390,117.62
224 Deferred Revenue	784,846.22	-	-	-	192,077.27	976,923.49
Total Liabilities	2,804,992.20	1,372,504.16	485,400.88	308,925.25	8,590,523.67	13,562,346.16
<i>Fund Balances:</i>						
261 Reserved For:						
261.02 Inventories	590,274.85	-	-	-	-	590,274.85
261.03 Advance to Other Funds	1,641,241.66	54,801.85	219,569.20	4,406,120.21	-	6,321,732.92
261.04 Debt Service	-	4,660,853.27	2,957,010.82	2,659,193.44	-	10,277,057.53
261.16 Notes Receivable	-	-	2,582,339.06	-	-	2,582,339.06
261.16 TIDS - Debt Service	-	-	-	-	2,004,361.68	2,004,361.68
261.16 Business Improvement District	-	-	-	-	25,791.06	25,791.06
261.16 Downtown Business Improvement District	-	1,000,000.00	-	-	-	1,000,000.00
261.16 RSVP	-	-	-	-	4,714.19	4,714.19
262 Unreserved Fund Balances:						
262.01 Designated for Next Year's Appropriation	427,668.00	15,549,953.00	1,582,598.00	2,288,337.00	-	19,848,556.00
262.04 Designated for Capital Replacements: Special Revenue Funds	-	-	4,456,743.59	6,871,469.78	-	11,328,213.37
262.09 Undesignated	10,058,597.90	1,140,922.02	-	-	-	11,199,519.92
Undesignated, Reported in nonmajor:						
Special Revenue Funds	-	-	-	-	938,991.44	938,991.44
Debt Service Funds (Note 12)	-	-	-	-	(7,304,708.26)	(7,304,708.26)
Permanent Fund	-	-	-	-	54,850.45	54,850.45
Total Fund Balances	12,717,782.41	22,406,530.14	11,798,260.67	16,225,120.43	(4,275,999.44)	58,871,694.21
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,522,774.61	\$ 23,779,034.30	\$ 12,283,661.55	\$ 16,534,045.68	\$ 4,314,524.23	\$ 72,434,040.37

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, 2010**

Total Fund Balances - Governmental Funds	\$ 58,871,694.21
 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.	257,317,394.78
Long term liabilities, including bonds payable are not due and payable in the current period and therefore not reported in the funds.	(72,867,655.34)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(340,155.58)
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.	331,865.00
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.	976,923.49
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.	7,169,949.08
Total Net Assets - Governmental Activities	\$ 251,460,015.64

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, 2010

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes	12,856,723.27	-	-	-	8,777,863.07	21,634,586.34
313 General Sales and Use Taxes	19,932,704.45	9,959,203.90	9,966,486.45	3,466,553.92	-	43,324,948.72
314 Gross Receipts Business Taxes	582,585.85	-	-	-	1,285,843.60	1,868,429.45
320 Licenses and Permits	1,278,043.50	-	-	-	-	1,278,043.50
330 Intergovernmental Revenue:						
331 Federal Grants	1,743,310.13	-	1,031,150.00	-	523,191.80	3,297,651.93
334 State Grants	28,425.00	-	2,983,378.40	-	-	3,011,803.40
335 State Shared Revenue:						
335.01 Bank Franchise Tax	94,235.03	-	-	-	-	94,235.03
335.03 Liquor Tax Reversion	373,663.78	-	-	-	-	373,663.78
335.04 Motor Vehicle Licenses (5%)	43,863.09	-	-	-	-	43,863.09
335.06 Fire Insurance Reversion	184,036.73	-	-	-	-	184,036.73
335.08 Local Government Highway and Bridge Fund	511,323.54	-	-	-	-	511,323.54
338 County Shared Revenue:						
338.01 County Road Tax (25%)	256,455.68	-	-	-	-	256,455.68
340 Charges for Goods and Services:						
341 General Government	329,993.03	114,382.66	178,513.38	-	15,989.32	638,878.39
342 Public Safety	675,209.34	-	-	-	1,370.00	676,579.34
343 Public Works	98,146.50	-	19,276.10	-	-	117,422.60
345 Health & Welfare	341,588.09	-	-	-	-	341,588.09
346 Culture and Recreation	1,603,189.05	-	-	-	-	1,603,189.05
348 Cemetery	-	-	-	-	3,360.00	3,360.00
349 Conservation & Development	-	-	-	-	158,203.97	158,203.97
350 Fines and Forfeits:						
351 Court Fines and Costs	22,134.20	-	-	-	-	22,134.20
354 Library	-	-	-	-	111,987.06	111,987.06
360 Miscellaneous Revenue:						
361 Interest Earnings	651,091.74	615,420.82	225,736.13	463,174.66	137,815.64	2,093,238.99
362 Rentals	143,442.08	-	-	-	-	143,442.08
363 Special Assessments	86,378.63	-	-	-	169,564.05	255,942.68
367 Contributions and Donations	20,000.00	-	-	-	38,548.76	58,548.76
369 Other	15,799.92	-	-	-	-	15,799.92
Total Revenue	41,872,342.63	10,689,007.38	14,404,540.46	3,929,728.58	11,223,737.27	82,119,356.32
Expenditures:						
410 General Government:						
412 Executive-Mayor & Council	578,198.21	-	-	-	-	578,198.21
414 Financial - Community Resources	401,912.21	-	58,662.65	-	-	460,574.86
414 Financial - Finance	735,969.31	-	-	-	-	735,969.31
414 Financial - Attorney	65,532.23	-	-	-	-	65,532.23
419 Other - Government Buildings	837,233.91	57,675.49	-	-	-	894,909.40
420 Public Safety:						
421 Police	11,841,378.86	-	-	-	15,335.50	11,856,714.36
422 Fire	7,824,887.31	-	-	-	-	7,824,887.31
429 Other Protection-Corrections	47,822.00	-	-	-	-	47,822.00
429 Other Protection-Code Enforcement	194,686.90	-	-	-	-	194,686.90
429 Other Protection-ACE	17,001.02	-	-	-	-	17,001.02
429 Other Protection-Re-entry Program	56,853.50	-	-	-	-	56,853.50
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, 2010

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
430 Public Works:						
431 Highways and Streets	5,775,333.61	50,501.93	404,369.54	-	-	6,230,205.08
43x Administration	53,472.08	271,476.00	1,184,592.00	-	-	1,509,540.08
440 Health and Welfare:						
441 Health	438,000.00	-	-	-	-	438,000.00
444 Humane Society	242,018.00	-	-	-	-	242,018.00
449 Other - Public Transit	1,743,626.20	-	-	-	-	1,743,626.20
449 Other - Air Quality	68,606.89	-	-	-	-	68,606.89
450 Culture and Recreation:						
451 Recreation	358,971.39	2,804.00	-	-	-	361,775.39
451 Swimming Pools	1,497,399.84	-	-	-	-	1,497,399.84
451 Ice Arena	650,205.20	-	-	-	-	650,205.20
452 Parks	2,191,040.24	-	66,941.58	-	-	2,257,981.82
455 Libraries	3,057,086.65	-	-	-	172,956.43	3,230,043.08
457 Historical Preservation	10,600.22	-	-	-	-	10,600.22
459 Other - Parks & Rec Administration	210,310.23	-	-	-	-	210,310.23
459 Other - Retired Senior (RSVP)	-	-	-	-	105,672.92	105,672.92
459 Other - Cemetery	-	-	-	-	45.00	45.00
459 Other - Subsidies	200,000.00	-	-	-	-	200,000.00
460 Conservation and Development:						
465 Economic Development	458,000.00	249,291.00	-	-	-	707,291.00
465 Community Development	1,867,127.59	-	-	-	585,323.03	2,452,450.62
465 Transportation Planning	569,360.23	-	-	-	-	569,360.23
465 GIS Information System	57,426.76	-	-	-	-	57,426.76
470 Debt Service	121,551.68	6,711,631.56	1,812,625.65	2,098,890.73	10,248,394.10	20,993,093.72
485 Capital Outlay	808,732.06	2,963,380.37	12,214,858.09	-	14,177,273.66	30,164,244.18
490 Miscellaneous:						
492 Other Expenditures	-	10,352.39	1,871.00	6,051.63	1,463,876.00	1,482,151.02
Total Expenditures	43,066,795.33	10,317,112.74	15,743,920.51	2,104,942.36	26,768,876.64	98,001,647.58
Excess of Revenue Over (Under) Expenditures	(1,194,452.70)	371,894.64	(1,339,380.05)	1,824,786.22	(15,545,139.37)	(15,882,291.26)
Other Financing Sources (Uses):						
391.01 Transfers In (see Note 5)	663,498.00	-	-	-	732,190.10	1,395,688.10
511 Transfers Out (see Note 5)	(838,011.00)	-	(1,351,106.27)	(700,000.00)	(1,764,690.75)	(4,653,808.02)
391.02 Long-term debt issued	-	-	-	-	16,888,909.41	16,888,909.41
391.03 Sale of Municipal Property	21,561.55	-	-	-	-	21,561.55
391.27 Capital Leases	-	-	721,380.00	-	-	721,380.00
Total Other Financing Sources (Uses)	(152,951.45)	-	(629,726.27)	(700,000.00)	15,856,408.76	14,373,731.04
Net Change in Fund Balances	(1,347,404.15)	371,894.64	(1,969,106.32)	1,124,786.22	311,269.39	(1,508,560.22)
Fund Balance - Beginning	14,065,186.56	22,034,635.50	13,767,366.99	15,100,334.21	(5,318,221.30)	59,649,301.96
Prior Period Adjustment (Note 8)	-	-	-	-	730,952.47	730,952.47
FUND BALANCE- ENDING	12,717,782.41	22,406,530.14	11,798,260.67	16,225,120.43	(4,275,999.44)	58,871,694.21

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, 2010

Net change in fund balances - total government funds	\$ (1,508,560.22)
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.	16,143,591.81
Assets Contributed by Development.	219,842.24
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).	16,065,490.78
Developer debt through a Tax Increment District which has been written off on the government-wide financial statements.	861,914.05
Debt proceeds, including premiums are a revenue in the governmental funds but the proceeds increase long-term liabilities in the statement of net assets.	(17,610,289.41)
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.	(39,383.57)
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.	(69,842.45)
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.	(284,714.75)
Governmental funds report property taxes, special assessments and grants as revenue when funds become available, but the statement of activities includes the property tax, special assessments and grants as revenue when earned.	(1,482,103.40)
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.	260,009.56
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.	400,960.75
Change in Net Assets of Governmental Activities	\$ 12,851,512.39

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

**CITY OF RAPID CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010**

	Water Fund	Wastewater Fund	Airport Fund
ASSETS:			
Current Assets:			
101 Cash and Cash Equivalents	\$ 3,441,365.42	\$ 3,796,813.37	\$ 435,058.48
106 Cash with Fiscal Agent, Restricted	41,292,947.96	-	17,905,886.15
107 Restricted Cash (Note 16)	-	-	-
151 Investments	2,143,648.28	3,807,176.23	-
115 Accounts Receivable	397,861.35	647,686.95	973,250.61
116 Estimated Uncollectable Accounts Receivable	(25,986.15)	(30,000.00)	(983.18)
117 Unbilled Accounts Receivable	448,406.28	-	-
110 Sales Tax Receivable	-	-	-
131 Due from Other Funds	135,407.01	672,333.60	-
132 Due from Other Government (see Note 6)	-	69,459.05	1,361,880.85
135 Interest Receivable	166,885.08	8,024.02	3,817.35
142 Inventory of Stores Purchased for Resale	25,682.14	17,313.66	-
155 Prepaid Expenses	296,325.64	-	44,205.00
Total Current Assets	48,322,543.01	8,988,806.88	20,723,115.26
Noncurrent Assets:			
133 Advance to Other Funds	844,798.40	-	-
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	17,201,346.87
164 Improvements Other than Bldg	105,433,295.28	62,843,330.66	56,018,912.97
164 Furniture & Equipment	666,055.50	582,368.09	900,573.72
166 Machinery and Equipment	757,154.56	1,852,725.23	5,270,239.56
168 Construction Work in Progress	8,232,328.35	5,827,420.28	11,569,412.90
Less: Accumulated Depreciation	(40,378,770.62)	(27,375,286.53)	(38,535,888.05)
Total Noncurrent Assets	93,055,006.07	69,514,269.14	53,508,598.28
TOTAL ASSETS	\$ 141,377,549.08	\$ 78,503,076.02	\$ 74,231,713.54
LIABILITIES:			
Current Liabilities:			
202 Accounts Payable	\$ 556,190.05	\$ 613,556.64	\$ 1,192,148.07
208 Due to Other Funds (see Note 5)	-	60,000.00	-
215 Accrued Interest Payable	275,221.21	94,012.59	13,938.52
220 Customer Deposits	669,028.66	-	-
2xx Wages Payable	96,936.39	79,304.93	72,064.02
226 OPEB Current Obligations	40,370.47	32,275.88	35,117.79
226 Bonds Payable Current	-	637,584.01	14,000,000.00
226 Capital Lease Payable Current (see Note 4)	-	-	-
230 Compensated Absences Payable -- Current	15,000.00	5,000.00	6,500.00
Total Current Liabilities	1,652,746.78	1,521,734.05	15,319,768.40
Noncurrent Liabilities:			
209 Advance from Other Funds (see Note 5)	270,000.00	303,000.00	-
231 OPEB Long-Term Obligations	51,006.04	40,778.94	44,369.56
231 Bonds Payable	46,170,613.25	11,045,115.71	4,527,982.50
231 Capital Lease Payable	-	-	-
233 Accrued Leave Payable (see Note 4)	154,359.95	112,894.55	94,644.45
235 Accrued Landfill Closure and Postclosure	-	-	-
Total Noncurrent Liabilities	46,645,979.24	11,501,789.20	4,666,996.51
NET ASSETS:			
253.10 Invested in Capital Assets, Net of Related Debt	81,136,626.27	57,831,569.42	34,980,615.78
253.20 Restricted Net Assets, Restricted for:			
253.22 Revenue Bond Retirement	5,578,174.36	-	17,905,886.15
253.90 Unrestricted Net Assets	6,364,022.43	7,647,983.35	1,358,446.70
Total Net Assets	93,078,823.06	65,479,552.77	54,244,948.63
TOTAL LIABILITIES AND NET ASSETS	\$ 141,377,549.08	\$ 78,503,076.02	\$ 74,231,713.54

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
\$ 3,045,171.85	\$ 105,130.91	\$ 3,293,405.46	\$ 14,116,945.49	\$ 8,854,486.99
819,266.59	1,657,470.31	245,768.02	61,921,339.03	-
-	-	1,334,353.73	1,334,353.73	-
2,689,975.79	97,876.56	4,227,334.47	12,966,011.33	1,618,097.85
394,734.11	140,147.38	7,326,725.68	9,880,406.08	543,784.86
(10,000.00)	-	(5,189,922.71)	(5,256,892.04)	-
-	-	-	448,406.28	-
-	376,693.73	-	376,693.73	-
-	167,510.09	-	975,250.70	-
10.31	-	66,542.23	1,497,892.44	-
5,961.29	1,478.06	11,690.31	197,856.11	10,529.25
-	79,120.22	-	122,116.02	-
30,707.92	96,661.08	41,387.52	509,287.16	-
6,975,827.86	2,722,088.34	11,357,284.71	99,089,666.06	11,026,898.95
-	-	-	844,798.40	-
542,868.12	1,091,682.05	6,620,227.85	15,811,806.66	-
12,968,827.18	61,173,841.91	8,759,461.24	136,914,304.88	-
4,269,154.12	7,505,326.59	5,059,792.45	241,129,812.07	-
164,697.17	3,554,377.20	2,340,873.08	8,208,944.76	-
1,005,905.79	468,975.53	7,043,379.71	16,398,380.38	-
-	26,243.97	3,488,524.57	29,143,930.07	-
(5,995,689.45)	(22,544,900.49)	(9,334,487.88)	(144,165,023.02)	-
12,955,762.93	51,275,546.76	23,977,771.02	304,286,954.20	-
\$ 19,931,590.79	\$ 53,997,635.10	\$ 35,335,055.73	\$ 403,376,620.26	\$ 11,026,898.95
\$ 93,627.84	\$ 305,051.62	\$ 411,759.62	\$ 3,172,333.84	\$ 2,686,032.33
-	-	252,995.02	312,995.02	-
6,665.00	1,323.51	18,280.77	409,441.60	-
-	-	-	669,028.66	-
42,647.03	166,574.51	102,786.42	560,313.30	4,155.73
19,456.06	41,614.25	71,474.71	240,309.16	-
523,926.51	199,458.58	79,407.36	15,440,376.46	-
-	90,217.80	419,917.44	510,135.24	-
5,000.00	-	7,000.00	38,500.00	-
691,322.44	804,240.27	1,363,621.34	21,353,433.28	2,690,188.06
-	-	203,413.70	776,413.70	-
24,581.75	52,577.50	90,304.68	303,618.47	-
2,002,106.05	4,910,795.91	2,269,925.23	70,926,538.65	-
-	240,816.77	1,918,026.29	2,158,843.06	-
22,702.62	127,185.06	234,786.07	746,572.70	-
-	-	1,334,353.73	1,334,353.73	-
2,049,390.42	5,331,375.24	6,050,809.70	76,246,340.31	-
10,429,730.37	45,834,257.70	19,290,494.70	249,503,294.24	-
819,266.59	1,657,470.31	245,768.02	26,206,565.43	-
5,941,880.97	370,291.58	8,384,361.97	30,066,987.00	8,336,710.89
17,190,877.93	47,862,019.59	27,920,624.69	305,776,846.67	8,336,710.89
\$ 19,931,590.79	\$ 53,997,635.10	\$ 35,335,055.73	\$ 403,376,620.26	\$ 11,026,898.95

**CITY OF RAPID CITY
RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

Total Net Assets - Enterprise Funds \$ 305,776,846.67

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 1,166,761.80

Total Net Assets - Business-type Activities \$ 306,943,608.47

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, 2010

	Water Fund	Wastewater Fund	Airport Fund
Operating Revenue:			
380 Charges for Goods and Services	\$ 9,343,601.03	\$ -	\$ 4,023,150.54
381 Revenues used as Security for Revenue Bonds	2,133,166.14	9,509,087.18	1,136,904.45
Total Operating Revenues	11,476,767.17	9,509,087.18	5,160,054.99
Operating Expenses:			
410 Personal Services	2,130,097.82	1,716,683.86	1,754,717.53
420 Other Current Expense	3,045,639.62	3,099,570.69	1,903,133.68
426.2 Materials (Cost of Goods Sold)	-	-	-
457 Depreciation (see Note 2)	2,489,533.83	1,676,413.00	1,782,170.33
Total Operating Expenses	7,665,271.27	6,492,667.55	5,440,021.54
Operating Income (Loss)	3,811,495.90	3,016,419.63	(279,966.55)
Nonoperating Revenue (Expense):			
361 Investment Earnings	537,057.14	236,234.73	65,764.31
470 Interest Expense and Fiscal Charges	(2,231,224.33)	(482,355.27)	(77,582.41)
366 Gain (Loss) on Disposition of Capital Assets	(198,751.38)	(12,086.47)	(500.00)
369.01 Other Taxes	-	-	204,896.36
369.01 Sales Tax	-	-	-
369.01 Other	15,962.70	-	836.05
Total Nonoperating Revenue (Expense)	(1,876,955.87)	(258,207.01)	193,414.31
Income (Loss) Before Capital Grants and Transfers	1,934,540.03	2,758,212.62	(86,552.24)
330 Capital Grants	-	69,390.00	4,942,740.17
391.7 Contributions (to) from Developers/Others	2,262,501.90	902,411.85	-
391.1 Transfers In (see Note 5)	30,000.00	700,000.00	-
511 Transfers Out (see Note 5)	(298,401.45)	(258,415.71)	-
Net Capital Grants, Contributions and Transfers	1,994,100.45	1,413,386.14	4,942,740.17
Change in Net Assets	3,928,640.48	4,171,598.76	4,856,187.93
Net Assets - Beginning	90,657,396.05	61,307,954.01	49,388,760.70
Prior Period Adjustment (Note 8)	(1,507,213.47)	-	-
NET ASSETS - ENDING	\$ 93,078,823.06	\$ 65,479,552.77	\$ 54,244,948.63

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

Enterprise Funds

Solid Waste MRF/Compost Fund	Civic Center Enterprise Fund	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 3,364,464.09	\$ 5,403,175.89	\$ 9,213,817.90	\$ 31,348,209.45	\$ 7,124,893.95
-	-	678,863.74	13,458,021.51	-
3,364,464.09	5,403,175.89	9,892,681.64	44,806,230.96	7,124,893.95
1,013,825.78	3,820,653.43	4,155,348.76	14,591,327.18	86,965.34
994,292.21	3,563,231.51	3,940,440.87	16,546,308.58	6,744,491.53
-	758,461.58	4,831.64	763,293.22	-
523,352.31	1,852,968.74	1,152,053.34	9,476,491.55	-
2,531,470.30	9,995,315.26	9,252,674.61	41,377,420.53	6,831,456.87
832,993.79	(4,592,139.37)	640,007.03	3,428,810.43	293,437.08
164,330.25	25,689.27	300,423.58	1,329,499.28	258,728.82
(101,029.33)	(196,533.23)	(251,848.25)	(3,340,572.82)	-
-	(3,311.20)	(241,159.92)	(455,808.97)	-
-	-	-	204,896.36	-
-	3,217,014.56	-	3,217,014.56	-
585,969.47	-	65,814.93	668,583.15	-
649,270.39	3,042,859.40	(126,769.66)	1,623,611.56	258,728.82
1,482,264.18	(1,549,279.97)	513,237.37	5,052,421.99	552,165.90
-	-	612,577.00	5,624,707.17	-
-	192,138.00	1,245,022.52	4,602,074.27	-
122,210.75	41,875.00	337,608.06	1,231,693.81	-
(50,553.00)	(145,501.00)	(214,289.00)	(967,160.16)	-
71,657.75	88,512.00	1,980,918.58	10,491,315.09	-
1,553,921.93	(1,460,767.97)	2,494,155.95	15,543,737.08	552,165.90
15,636,956.00	49,322,787.56	25,426,468.74	291,740,323.06	7,784,544.99
-	-	-	(1,507,213.47)	-
\$ 17,190,877.93	\$ 47,862,019.59	\$ 27,920,624.69	\$ 305,776,846.67	\$ 8,336,710.89

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, 2010

Net change in net assets - Enterprise funds	\$ 15,543,737.08
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	151,205.14
Change in Net Assets of Business-type Activities	<u>\$ 15,694,942.22</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, 2010**

	Enterprise Funds				
	Water Fund	Wastewater Fund	Airport Fund	Solid Waste MFR/Compost Fund	Civic Center Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipt from Customers	\$ 11,791,000.67	\$ 9,483,079.82	\$ 4,877,179.20	\$ 3,363,649.69	\$ 5,418,495.53
Receipt from Interfund Services Provided	1,219,794.59	-	-	-	-
Payments to Suppliers	(3,468,289.03)	(2,820,443.69)	(1,387,738.26)	(986,096.42)	(4,335,742.34)
Payments to Employees	(2,079,553.00)	(1,670,012.63)	(1,811,085.73)	(998,478.85)	(3,704,618.79)
Internal Activity - Payment to Other Funds	-	365,607.17	-	-	(167,510.09)
Net Cash Provided (Used) by Operating Activities	7,462,953.23	5,358,230.67	1,678,355.21	1,379,074.42	(2,789,375.69)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Airport Property Tax and Gross Receipts Tax (Civic Center)	-	-	204,896.36	-	3,147,450.78
Transfers In	(863,141.90)	700,000.00	-	122,210.75	41,875.00
Transfer Out	(298,401.45)	(258,415.71)	-	(50,553.00)	(145,501.00)
Net Cash Provided (Used) by Operating Subsidies and Transfers	(1,161,543.35)	441,584.29	204,896.36	71,657.75	3,043,824.78
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Capital Debt	912,094.00	1,779,498.00	17,932,982.00	-	36,300.00
Contributions from Others	2,183,141.90	862,448.85	-	-	-
Capital Grants	-	69,390.00	4,691,611.11	-	-
Purchase of Capital Assets	(7,198,358.92)	(6,689,373.33)	(7,864,849.27)	-	(402,399.74)
Principal Paid on Capital Debt	-	(639,374.88)	(657,280.65)	(512,226.51)	(269,968.80)
Interest Paid on Capital Debt	(2,231,224.33)	(488,439.18)	(72,824.89)	(102,380.34)	(196,600.39)
Proceeds from Sale of Assets	-	-	-	-	0.00
Other Receipts (Payments)	15,962.70	-	836.05	585,969.47	-
Net Cash (Used) by capital and related financing Activities	(6,318,384.65)	(5,105,850.54)	14,030,474.35	(28,637.38)	(832,668.93)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Earnings	345,635.27	182,158.53	65,511.95	124,960.58	27,213.78
Net Cash Provided (Used) by Investing Activities	345,635.27	182,158.53	65,511.95	124,960.58	27,213.78
Net Increase (Decrease) in Cash and Cash Equivalents	328,660.50	876,122.95	15,979,237.87	1,547,055.37	(551,006.06)
Balances - Beginning	44,405,652.88	2,920,690.42	2,361,706.76	2,317,383.07	2,313,607.28
Balances- Ending	\$ 44,734,313.38	\$ 3,796,813.37	\$ 18,340,944.63	\$ 3,864,438.44	\$ 1,762,601.22
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 3,811,495.90	\$ 3,016,419.63	\$ (279,966.55)	\$ 832,993.79	\$ (4,592,139.37)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	2,489,533.83	1,676,413.00	1,782,170.33	523,352.31	1,852,968.74
Landfill Closure & Postclosure Costs	-	-	-	-	-
Change in Assets and Liabilities:					
Receivables	269,647.85	(26,007.36)	(282,875.79)	(814.40)	15,319.64
Inventories	1,246.55	3,647.67	-	-	7,283.54
Prepaid Expenses	10,218.13	-	(44,205.00)	5,117.99	5,087.43
Customer Deposits	44,585.65	-	-	-	-
Due to/from Other Funds	1,219,794.59	365,607.17	-	-	(167,510.09)
Accounts and Other Payables	(434,114.09)	275,479.33	559,804.68	3,077.80	(26,420.22)
Accrued Wages Payable	27,293.52	23,547.15	(65,892.62)	8,678.25	141,787.58
Accrued Other Post Employment Benefits	15,919.36	14,983.00	16,804.93	6,848.05	17,441.15
Accrued Leave Payable	7,331.94	8,141.08	(7,484.77)	(179.37)	(43,194.09)
Net Cash Provided (Used) by Operating Activities	\$ 7,462,953.23	\$ 5,358,230.67	\$ 1,678,355.21	\$ 1,379,074.42	\$ (2,789,375.69)
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (198,751.38)	\$ (12,086.47)	\$ (500.00)	\$ -	\$ (3,311.20)
Transfer/Contribution of Assets	\$ 893,141.90	\$ -	\$ -	\$ -	\$ 192,138.00
Contribution of Assets from Others	\$ 79,360.00	\$ 39,963.00	\$ -	\$ -	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
101 Cash and Cash Equivalents	\$ 3,441,365.42	\$ 3,796,813.37	\$ 435,058.48	\$ 3,045,171.85	\$ 105,130.91
106 Cash with Fiscal Agent, Restricted	41,292,947.96	-	17,905,886.15	819,266.59	1,657,470.31
107 Restricted Cash (Note 16)	-	-	-	-	-
Net Cash and Cash Equivalents	\$ 44,734,313.38	\$ 3,796,813.37	\$ 18,340,944.63	\$ 3,864,438.44	\$ 1,762,601.22

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

Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 9,657,095.42	\$ 44,590,500.33	\$ -
221,002.19	1,440,796.78	7,148,054.77
(3,694,862.12)	(16,693,171.86)	(6,301,809.81)
(4,090,154.50)	(14,353,903.50)	(85,972.39)
(145,049.70)	53,047.38	-
<u>1,948,031.29</u>	<u>15,037,269.13</u>	<u>760,272.57</u>
-	3,352,347.14	-
337,608.06	338,551.91	-
(214,289.00)	(967,160.16)	-
<u>123,319.06</u>	<u>2,723,738.89</u>	<u>-</u>
113,522.06	20,774,396.06	-
612,577.00	3,045,590.75	-
(3,972,735.56)	5,373,578.11	-
(614,851.45)	(26,127,716.82)	-
(257,281.86)	(2,693,702.29)	-
157,000.00	(3,348,750.99)	-
65,814.93	157,000.00	-
	668,583.15	-
<u>(3,895,954.88)</u>	<u>(2,151,022.03)</u>	<u>-</u>
240,403.22	985,883.33	239,295.56
240,403.22	985,883.33	239,295.56
<u>(1,584,201.31)</u>	<u>16,595,869.32</u>	<u>999,568.13</u>
6,457,728.52	60,776,768.93	7,854,918.86
<u>\$ 4,873,527.21</u>	<u>\$ 77,372,638.25</u>	<u>\$ 8,854,486.99</u>
\$ 640,007.03	\$ 3,428,810.43	\$ 293,437.08
1,152,053.34	9,476,491.55	-
45,123.07	45,123.07	-
(235,586.22)	(260,316.28)	23,160.82
-	12,177.76	-
2,178.29	(21,603.16)	-
-	44,585.65	-
75,952.49	1,493,844.16	-
203,109.03	580,936.53	442,681.72
27,616.32	163,030.20	992.95
31,214.71	103,211.20	-
6,363.23	(29,021.98)	-
<u>\$ 1,948,031.29</u>	<u>\$ 15,037,269.13</u>	<u>\$ 760,272.57</u>
\$ (398,159.92)	\$ (612,808.97)	\$ -
\$ 1,245,022.52	\$ 2,330,302.42	\$ -
	\$ 119,323.00	\$ -
\$ 3,293,405.46	\$ 14,116,945.49	\$ 8,854,486.99
245,768.02	61,921,339.03	-
1,334,353.73	1,334,353.73	-
<u>\$ 4,873,527.21</u>	<u>\$ 77,372,638.25</u>	<u>\$ 8,854,486.99</u>

CITY OF RAPID CITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	\$ 961,274.42
Investments	332,459.18
TOTAL ASSETS	<u>\$ 1,293,733.60</u>
LIABILITIES:	
Accounts Payable	\$ 94,878.97
Due to Other Organizations	1,198,854.63
Total Liabilities	<u>\$ 1,293,733.60</u>

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.

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. Internal Service Funds are never considered to be major funds.

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. Agency funds are never considered to be major funds. 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, regardless of the measurement focus.

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. The City does not follow Financial Accounting Standards Board (FASB) 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 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, 2010, 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	7,645,136.57	7,645,136.57		
Certificates of Deposit	N/A	4,188,500.00	2,958,500.00	1,230,000.00	
Repurchase Agreement	N/A	40,755,571.59		40,755,571.59	
US Treasury Note	AAA	15,831,534.60	15,831,534.60		
US Government Sponsored Enterprises:					
Freddie Mac Bonds	AAA	650,594.60	650,594.60		
FHLMC Notes	AAA	3,127,059.20	3,127,059.20		
Total		72,198,396.56	30,212,824.97	41,985,571.59	0.00

Cash Investments - As of December 31, 2010, 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	174,465.50				174,465.50
US Treasury Notes	N/A	8,485,201.59		1,300,368.85	3,478,920.62	3,705,912.12
Bank of America Corp Notes	AAA	440,181.00		440,181.00		
Citigroup Funding	AAA	919,340.95		919,340.95		
Tennessee Valley Authority	AAA	105,721.60				105,721.60
US Federal Agency Obligations:						
GNMA (Ginnie Mae) Pool	AAA	175,068.81				175,068.81
USDA	AAA	1,151,612.63				1,151,612.63
US Government Sponsored Enterprises:						
FNMA (Fannie Mae) Pool	AAA	9,477,519.63		2,084,343.40	1,854,235.62	5,538,940.61
FNMA Notes	AAA	3,898,760.96		553,041.93	3,178,884.53	166,834.50
FNMA Bond	AAA	539,125.00			539,125.00	
FNMA CMO	AAA	54,215.66				54,215.66
FHLMC (Freddie Mac) Pool	AAA	8,658,111.59		946,565.55	147,544.50	7,564,001.54
FHLMC Debentures	AAA	706,653.50				706,653.50
FHLMC Notes	AAA	4,948,099.54		1,066,060.00	3,237,531.54	644,508.00
FHLMC Remics	AAA	100,327.89				100,327.89
FFCB Bonds	AAA	209,294.00		209,294.00		
FHLB Bonds	AAA	915,624.96			915,624.96	
Total		40,959,324.81	0.00	7,519,195.68	13,351,866.77	20,088,262.36

Presented in the:

Statement of Net Assets	40,626,865.63
Statement of Fiduciary Net Assets	332,459.18
	<u>40,959,324.81</u>

Although investments in Bank of America corporate notes and Citigroup Funding 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 (\$2,025,444.29), RBC (\$25,871,256.42), Edward Jones (\$9,722,695.17), Wells Fargo (\$3,281,511.16) and MidFirst Bank (\$58,417.77) serving as custodians.

Assignment of Investment Income – 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.

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 and within the business-type activities are eliminated in the Statement of Net Assets. See Note 5 for details of interfund transactions, including receivables and payables at year-end.

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)

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 Notes Receivables that have a maximum repayment term of 10 years. 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.

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.

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)

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. Construction in Progress 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.

Material supply inventories are off-set by a fund balance reserve which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

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.

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 (or 60 days) 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, Expenses 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, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital Assets not being depreciated:				
Land	\$ 41,983,812.38	\$ -	\$ -	\$ 41,983,812.38
Construction in Progress	7,790,926.52	14,039,094.47	(11,278,886.39)	10,551,134.60
Total capital assets not being depreciated	49,774,738.90	14,039,094.47	(11,278,886.39)	52,534,946.98
Capital Assets being depreciated:				
Buildings	63,913,726.15	2,602,689.33	-	66,516,415.48
Improvements	220,993,503.99	23,068,262.96	-	244,061,766.95
Machinery and Equipment	24,681,416.66	1,952,926.05	(526,033.15)	26,108,309.56
Total capital assets being depreciated	309,588,646.80	27,623,878.34	(526,033.15)	336,686,491.99
Less accumulated depreciation for:				
Buildings	(11,182,628.58)	(1,177,939.74)	-	(12,360,568.32)
Improvements	(91,462,119.18)	(10,834,541.50)	-	(102,296,660.68)
Machinery and Equipment	(15,694,834.76)	(2,008,171.13)	456,190.70	(17,246,815.19)
Total accumulated depreciation	(118,339,582.52)	(14,020,652.37)	456,190.70	(131,904,044.19)
Total capital assets being depreciated, net	191,249,064.28	13,603,225.97	(69,842.45)	204,782,447.80
Governmental activities capital assets, net	\$ 241,023,803.18	\$ 27,642,320.44	\$ (11,348,728.84)	\$ 257,317,394.78

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

Total General Government	\$ 475,502.18
Total Public Safety	681,689.70
Total Health and Welfare	563,421.55
Total Public Works	10,834,605.22
Total Culture and Recreation	1,445,244.48
Total Community /Economic Development	20,189.24
Total Governmental depreciation expense	\$ 14,020,652.37

* See Note 8 for information on prior period adjustments.

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, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital Assets not being depreciated:				
Land	\$ 15,811,806.66	\$ -	\$ -	\$ 15,811,806.66
Construction in Progress	13,457,154.37	22,652,047.58	(6,965,271.88)	29,143,930.07
Total capital assets not being depreciated	29,268,961.03	22,652,047.58	(6,965,271.88)	44,955,736.73
Capital Assets being depreciated:				
Buildings	135,668,204.08	1,246,100.80	-	136,914,304.88
Improvements	233,740,767.71	7,389,044.36	-	241,129,812.07
Machinery and Equipment	22,281,788.84	3,716,606.91	(1,391,070.61)	24,607,325.14
Total capital assets being depreciated	391,690,760.63	12,351,752.07	(1,391,070.61)	402,651,442.09
Less accumulated depreciation for:				
Buildings	(38,106,679.83)	(2,610,882.96)	-	(40,717,562.79)
Improvements	(84,621,099.71)	(5,226,290.19)	-	(89,847,389.90)
Machinery and Equipment	(12,546,875.57)	(1,639,318.76)	586,124.00	(13,600,070.33)
Total accumulated depreciation	(135,274,655.11)	(9,476,491.91)	586,124.00	(144,165,023.02)
Total capital assets being depreciated, net	256,416,105.52	2,875,260.16	(804,946.61)	258,486,419.07
Business-type activities capital assets, net	<u>\$ 285,685,066.55</u>	<u>\$ 25,527,307.74</u>	<u>\$ (7,770,218.49)</u>	<u>\$ 303,442,155.80</u>

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

Total Water Enterprise	\$ 2,489,533.83
Total Wastewater Enterprise	1,676,413.00
Total Airport Enterprise	1,782,170.69
Total Solid Waste Disposal Enterprise	334,284.31
Total Solid Waste/MRF Enterprise	523,352.31
Total Civic Center Enterprise	1,852,968.74
Total Solid Waste Collection Enterprise	350,086.00
Total Executive Golf Enterprise	18,288.52
Total Cemetery Enterprise	32,568.15
Total Golf Course Enterprise	71,242.31
Total Parking Lot Area Enterprise	88,434.87
Total Ambulance Enterprise	220,681.87
Total Energy Plant Enterprise	19,953.42
Total Transportation Terminal Enterprise	16,513.89
Total Enterprise depreciation expense	<u>\$ 9,476,491.91</u>

* See Note 8 for information on prior period adjustments.

In 2010, \$331,266.73 of interest on Tax Increment District debt 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 \$12.8 million as of December 31, 2010 were as follows:

<u>Governmental Activities</u>	<u>Project Number</u>	<u>Project Description</u>	<u>As of 12/31/2010</u>	<u>Total Contract</u>	<u>Remaining</u>
		Meadowbrook Bridge	5,800.00	47,457.45	41,657.45
		Skyline Wilderness Trails	20,000.00	38,000.00	18,000.00
	RC09-1850	Pow Wow Gardens	144,042.55	149,665.00	5,622.45
	PR08-6004	Wilderness Park	98,401.50	111,445.00	13,043.50
	PR10-1901	Main Street Square	48,599.80	3,920,680.00	3,872,080.20
	DR04-1390	Knollwood Drainage	2,660,026.69	2,757,041.38	97,014.69
	ST05-1470	Eglin	1,179,973.05	1,210,066.57	30,093.52
	ST08-1511	E Blvd/E North Reconstruction	1,098,714.42	1,524,247.00	425,532.58
	SSW07-1656	Silver Street	338,399.42	933,902.51	595,503.09
	PW08-1743	Canyon Lake Reconstruction	811,765.32	1,021,328.01	209,562.69
	DR09-1801	Omaha Street Project	224,670.49	249,342.00	24,671.51
	ST10-1865	6th Street Pedestrian Crossing	-	192,292.10	192,292.10
	ST10-1866	Catron Turn Lane	101,056.76	106,434.89	5,378.13
	ST09-1823	E St Francis/Anne/Birch	996,803.30	1,011,055.47	14,252.17
Total Governmental Activities			7,728,253.30	13,272,957.38	5,544,704.08
<u>Business-Type Activities</u>					
		Rushmore Crossing	1,703,667.90	1,806,000.00	102,332.10
	ST10-1792	Northridge Water Storage	150,130.34	274,163.75	124,033.41
	ST09-1823	E St Francis/Anne/Birch	467,483.95	474,805.64	7,321.69
	ST05-1470	Eglin	140,888.50	172,073.50	31,185.00
	ST08-1511	E Blvd/E North Reconstruction	179,345.05	270,000.00	90,654.95
	SSW07-1656	Silver Street	1,079,930.44	1,924,214.12	844,283.68
	W08-1763	W Chicago Water Main	540,692.86	573,266.03	32,573.16
	PW08-1743	Canyon Lake Reconstruction	659,760.38	694,070.00	34,309.62
	WRF10-1856	Water Reclamation Facility	1,953,591.68	2,175,572.80	221,981.12
	WTP09-1836	Jackson Springs Water Treatment	1,591,758.04	5,902,953.23	4,311,195.19
	W10-1894	Dakota Drive Watermain	21,825.48	48,707.00	26,881.52
	W10-1915	E Tallent/E Indiana	-	303,277.65	303,277.65
		Main Terminal Expansion	1,861,825.02	2,682,889.00	821,063.98
		Electrical Vault	922,882.40	1,073,564.15	150,681.75
		AARF Station	5,757,634.87	5,875,970.27	118,335.40
		Landscaping - Airport	200,751.95	208,099.99	7,348.04
	PW-1902	Meadowbrook Shop Project	50,562.50	69,100.00	18,537.50
		Milo Barber Remodel	1,642,642.23	1,645,661.20	3,018.97
	PR09-6010	Cemeteries Irrigation System	58,307.15	99,414.24	41,107.09
Total Business-Type Activities			18,983,680.74	26,273,802.57	7,290,121.83
Grand Total			26,711,934.04	39,546,759.95	12,834,825.91

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 in 2011. In addition, a terminal expansion project at the airport was in the design state in 2010. In 2011, a contract was awarded for the project. The total estimated cost for this project is \$20.5 million dollars.

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, 2010, the governmental long-term debt of the financial reporting entity consisted of the following:

Revenue Bonds:

<p>\$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 2010 was \$209,275.00</p>	<p>\$3,090,000.00</p>
<p>Portion of Sales Tax Revenue Refunding Bonds, Series 2008 serviced by the Consolidated Construction Special Revenue Fund (22 percent). Interest paid in 2010 was \$24,850.65. See long-term debt schedule for business-type activities for a full description of this bond issue.</p>	<p>732,600.00</p>
<p>\$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 2010 was \$396,517.50.</p>	<p>9,130,000.00</p>
<p>\$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 2010 was \$763,675.00.</p>	<p>11,935,000.00</p>
<p>\$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 2010 was \$383,075.</p>	<p>8,055,000.00</p>
	<p>32,942,600.00</p>
<p>Unamortized deferred premium</p>	<p>987,687.00</p>
	<p>\$33,930,287.00</p>
<p>Compensated Absences:</p>	
<p>Accrued Leave Payable General Fund</p>	<p>1,882,951.11</p>
<p>Accrued Leave Payable Other Government Funds</p>	<p>17,955.62</p>
	<p>\$1,900,906.73</p>

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 2010 was \$24,475.34.

\$492,183.15

\$721,380.00 under an agreement with Wells Fargo Securities, LLC, dated September 15, 2010. for the purchase of a fire engine, which is security for the Lease. Due in annual installments of \$197,937.41, including interest of 3.83 percent. The final payment is due September 15, 2014. The lease is serviced by the General Fund (Fire Department). No interest was paid in 2010.

721,380.00

Total Leases

\$1,213,563.15

The principal amount, above, was included in the appropriate classification of capital assets, and is being depreciated over the shorter of the estimated useful life of the asset, or the lease term (where title never transfers), as appropriate.

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, 2010 there were 20 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, 2010. 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.

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Tax Increment Financing District (TID) Liabilities (Continued)

During the year ended December 31, 2010, principal and interest expenditures and property tax revenues were \$6,243,813.50 and \$8,535,483.62, 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 29 – Fiberswitch Technology – Created in 1998, maximum payoff \$90,480 including interest at 9.0 percent, expires 10/5/18.		\$76,223.32
TID 33 – Fenske Media – Created in 2001, maximum payoff \$738,771 including interest at 9.0 percent, expires 12/17/21.		139,633.21
TID 35 – Estes/Elk Creek – Created in 2002, maximum payoff \$514,103 including interest at 7.5 percent, expires 3/18/22.		73,916.47
TID 38 – Heartland Business – Created in 2003, maximum payoff \$6,360,879 including interest at 6.6 percent, expires 2/13/23.	*	2,064,145.63
TID 39 – E Rapid Plaza – Created in 2003, maximum payoff \$1,276,274 including interest at 6.0 percent, expires 4/21/23.	*	419,901.43
TID 40 – SoCreek Village – Created in 2003, maximum payoff \$1,140,164 including interest at 7.0 percent, expires 5/19/23.		551,452.82
TID 41 – 5 th Street – Created in 2005, maximum payoff \$4,391,907.25 including interest at 7.5 percent, expires 6/22/25.	*	1,453,369.55
TID 44 – Mall Drive – Created in 2004, maximum payoff \$7,822,706.77 including interest at 6.0 percent, expires 4/19/24.		3,125,741.06
TID 46 – Red Rocks Meadows – Created in 2004, maximum payoff \$2,322,404.79 including interest at 9.0 percent, expires 9/24/24.		30,288.62
TID 47 – Tower Road – Created in 2004, maximum payoff \$5,027,671.00 including interest at 6.5 percent, expires 10/4/24.		3,790,721.58
TID 50 – Federal Beef – Created in 2004, maximum payoff \$17,545,368.55 including interest at 6.0 percent, expires 12/20/2024.		4,284,744.27
TID 51 – Kateland Subdivision – Created in 2005, maximum payoff \$747,820 including interest at 6.0 percent, expires 1/17/25.	*	349,105.94
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.		431,095.06
TID 54 – Rainbow Ridge – Created in 2005, maximum payoff \$5,106,456.72 including interest at 9.0 percent, expires 10/3/25.		225,512.62
TID 56 – Rushmore Crossing – Created in 2005, maximum payoff \$24,471,390.38 including interest at 6.75 percent, expires 11/21/25.	*	11,105,505.34
TID 61 – Villagio – Created in 2006, maximum payoff \$2,978,711.65 including interest at 6.75 percent, expires 10/2/2026.		501,480.77

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

TID 63 – Copperfield Vistas – Created in 2007, maximum payoff \$8,078,019.27 including interest at 7.5 percent, expires 6/4/2027.	729,365.85
TID 65 – Minnesota Street – Created in 2007, maximum payoff \$33,956,176.65 including interest at 6.5 percent, expires 9/4/2027.	<u>5,028,325.73</u>
Total Tax Increment District Liabilities	34,380,529.27
Other Post Employment Benefit Liabilities (Note 11)	<u>1,442,369.19</u>
Total Liabilities Payable	<u>\$72,867,655.34</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	\$1,448,675.01
Accumulated depreciation – Public Safety	<u>(193,814.61)</u>
Net assets recorded under capital leases	<u>\$1,254,860.40</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, 2010, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations		TID Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 9,333,929.00	\$ 1,386,356.35	\$ 271,633.82	\$ 47,855.28	\$ 1,947,161.90	\$ 2,371,572.36
2012	9,748,323.00	959,395.30	282,591.51	36,897.59	3,328,343.52	2,234,245.44
2013	6,001,900.00	573,565.60	293,993.14	25,495.96	4,028,556.40	1,968,079.61
2014	6,033,671.00	317,949.20	305,856.75	13,632.33	4,089,243.99	1,483,696.06
2015	1,888,907.00	89,406.50	59,487.93	1,287.91	4,170,383.74	1,234,533.68
2016-2020	923,557.00	17,156.25	-	-	8,556,391.73	2,004,634.32
2021-2025	-	-	-	-	8,260,447.99	-
TOTALS	\$ 33,930,287.00	\$ 3,343,829.20	\$ 1,213,563.15	\$ 125,169.07	\$ 34,380,529.27	\$ 11,296,761.47

The above noted annual requirements for maturity for the tax increment financing debt are based on actual tax increment revenues received in 2010; estimated tax increment revenues projected by Pennington County to receive in 2011; 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 debt requirements over the maturity dates 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, Parking Lot Fund and Airport Fund whichever is greater, or specific revenues based on debt documents 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.

	Water Fund	Wastewater Fund	Parking Lot Fund	Airport Fund
CY Principal and Interest	\$2,119,959.48	\$1,102,708.30	\$197,835.00	\$904,127.44
Pledged Revenue	\$2,133,166.14	\$9,509,087.18	\$678,863.74	\$1,136,904.45

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

As of December 31, 2010, the long-term debt payable from proprietary fund resources consisted of the following:

\$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 2010 was \$122,835.00.	\$2,360,000.00
\$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 2010 was \$188,106.85	3,330,000.00
\$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 2010 was \$219,262.50.	5,120,000.00
\$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 2010 was \$462,887.29.	9,903,201.72
\$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 2010 was \$33,797.50.	595,000.00
\$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 2010 was \$2,119,959.48.	45,100,000.00
\$5,000,000 Loan No. 6 from State Revolving Fund of 2010. Due in quarterly installments through 2031. Interest at 3.0 percent. (This issue is to be serviced by pledged Wastewater Fund revenues). Interest expense in 2010 was \$0.	1,779,498.00
\$4,210,000 Airport CFC Bonds of 2010. Due in annual installments through 2030. Interest at 6.00 to 7.00 percent. (This issue is to be serviced by pledged Airport Customer Facility Charge revenue). Interest expense in 2010 was \$0.	4,210,000.00
\$13,735,000 Airport PFC Bonds of 2010. Due in annual installments through 2030. Interest at 6.00 to 7.00 percent. (This issue is to be serviced by pledged Airport Passenger Facility Charge revenue). Interest expense in 2010 was \$0.	13,735,000.00
\$6,000,000 Drinking Water Loan SRF 2 of 2009. Due in quarterly installments through 2031. Interest at 3.0 percent. (This issue is being serviced by pledged Water Enterprise Fund revenues.) Interest expense in 2010 was \$0.	1,688,355.00
	87,821,054.72

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Less portion of 2008 Sales Tax Refunding Bonds	
Served by Consolidated Construction Sales Tax Fund (22%).	(732,600.00)
Less unamortized deferred costs on refunding	(721,539.61)
	<hr/>
	\$86,366,915.11
Compensated Absences:	
Accrued Leave payable from Water Fund	169,359.95
Accrued Leave payable from Wastewater Fund	117,894.55
Accrued Leave payable from Airport Fund	101,144.44
Accrued Leave payable from Solid Waste MRF Fund	27,702.62
Accrued Leave payable from Civic Center Fund	127,185.07
Accrued Leave payable from Non-major Enterprise Funds	241,786.07
	<hr/>
	\$785,072.70
Financing (Capital Acquisition) Leases	
\$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 2010 was \$25,165.98.	\$413,243.00
\$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 2010 was \$77,582.51.	1,814,450.79
\$113,521.68 under an agreement with Pioneer Bank, dated August 19, 2010 for a cart barn at Meadowbrook Golf Course which are security for the Lease. Due in monthly installments of \$1,593.67, including interest at 4.75 percent with a balloon payment after 5 years. The final payment is due October, 1, 2015. The lease is serviced by the Golf Course Fund. Interest expense in 2010 was \$11,564.13.	\$110,249.94
\$297,584.97 under an agreement with Pioneer Bank dated December 3, 2010 for the refinancing of the POS system, which is security for the Lease. Due in 48 installments of \$6,785.97, including interest of 4.50 percent. The final payment is due December 3, 2014. The lease is serviced by the Civic Center Fund. Interest expense in 2010 was \$21,179.48.	297,584.97
\$36,300.00 under an agreement with US Bank, dated September 17, 2010 for the purchase of equipment at the Civic Center, which is security for the Lease. Due in monthly installments of \$1,075.76 including interest at 4.25 percent. The final payment is due September 17, 2013. The lease is serviced by the Civic Center Fund. Interest expense in 2010 was \$379.79.	33,449.60
	<hr/>
	2,668,978.30
The principal amount, above, was included in the appropriate classification of capital assets, and is being depreciated over the shorter of the estimated useful life of the asset, or the lease term (where title never transfers), as appropriate.	
Accrued Landfill Closure	1,334,353.73
Other Post Employment Benefit Liabilities	543,927.63
	<hr/>
Total Liabilities Payable	<hr/> <hr/>
	\$91,699,247.47

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 – buildings	\$150,265.32
Gross amount of assets recorded under capital leases – equipment	3,455,186.11
Accumulated depreciation – Solid Waste	(167,772.00)
Accumulated depreciation – Golf	(17,581.14)
Accumulated depreciation – Civic Center	(52,021.90)
Accumulated depreciation – Ambulance	<u>(187,179.29)</u>

Net assets recorded under capital leases **\$3,180,897.10**

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, 2010, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2011	\$ 15,440,376.46	\$ 3,463,441.61	\$ 510,135.24	\$ 104,960.09
2012	1,884,821.38	3,509,171.70	532,486.44	83,752.87
2013	1,963,958.49	3,431,339.09	551,372.71	61,636.41
2014	2,035,727.18	3,348,730.07	374,767.30	39,281.51
2015	1,692,795.98	3,270,168.61	369,462.04	25,981.39
2016-2020	10,134,653.65	15,260,056.46	330,754.57	12,337.15
2021-2025	13,987,739.14	12,200,046.72	-	-
2026-2030	14,261,812.68	8,752,678.00	-	-
2031-2035	12,597,470.20	5,304,601.68	-	-
2036-2040	12,367,559.95	1,678,950.00	-	-
TOTALS	<u>\$ 86,366,915.11</u>	<u>\$ 60,219,183.94</u>	<u>\$ 2,668,978.30</u>	<u>\$ 327,949.42</u>

State Revolving Fund loans paid in full during 2010 incurred interest expense of \$714.47. Capital leases paid in full during 2010 incurred interest expense of \$34,193.24.

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, 2010, the City reported a total arbitrage rebate liability of \$794,606.42 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, 2010:

Primary Government:

Government Activities:	Liabilities			Liabilities	Due Within
	Payable 1/1/2010	Issued	Retired	Payable 12/31/2010	One Year
Lease	\$589,259.49	\$721,380.00	(\$97,076.34)	\$1,213,563.15	\$271,633.82
Revenue Bond	45,535,922.38	\$703,958.00	(12,309,593.38)	33,930,287.00	9,333,929.00
Compensated Absence	2,160,916.29	143,365.33	(403,374.89)	1,900,906.73	80,000.00
TID	22,716,312.97	16,184,951.41	(4,520,735.11)	34,380,529.27	2,601,320.30
Other Post Employment Benefits	1,157,654.44	284,714.75	(0)	1,442,369.19	637,243.83
Total	\$72,160,065.57	\$18,038,369.49	(\$17,330,779.72)	\$72,867,655.34	\$12,924,126.95

Business Activities:	Liabilities			Liabilities	Due Within
	Payable 1/1/2010	Issued	Retired	Payable 12/31/2010	One Year
Leases	\$3,630,529.82	\$447,406.65	(\$1,408,958.17)	\$2,668,978.30	\$510,135.24
Accrued Landfill Closure (Note 14)	1,289,230.66	45,123.07	-0-	1,334,353.73	-0-
Revenue Bonds	67,324,669.82	20,636,592.00	(1,597,736.76)	86,366,915.08	15,440,376.46
Other Post Employment Benefits	440,716.43	103,211.23	(0)	543,927.66	240,309.16
Compensated Absence	814,094.68	133,893.89	(162,915.87)	785,072.70	38,500.00
Total	\$72,722,980.41	\$21,366,226.84	(\$3,169,610.80)	\$91,699,247.47	\$16,229,320.86

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 \$955,000 at December 31, 2010. In addition, on November 19, 2010, the City of Rapid City provided cash resources in the amount of \$500,923.18 to purchase U.S. Treasury bills that were placed in an irrevocable trust for the purpose of generating resources for all future payments on \$522,281.15 of Airport Parking debt paid in January, 2011. New bonds were not issued as part of this transaction. As a result, the refunded debt is 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 \$522,281.15 at December 31, 2010. The debt for both refundings was previously recorded in the business-type activities.

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivable and payable balances at December 31, 2010 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:	\$1,847,355.01	
Special Revenue Funds:		
Consolidated Construction	495,197.25	
2012 Sales Tax Fund	79,898.87	
Utility Facilities Fund	4,895,276.13	
TID 38 Fund		\$100,000.00
TID 39 Fund		841,144.00
TID 41 Fund		383,552.50
TID 42 Fund		3,718,803.64
TID 49 Fund		188,856.00
TID 51 Fund		350,000.00
TID 55 Fund		672,333.60
TID 56 Fund		1,793,677.90
Total Governmental Funds	<u>\$7,317,727.26</u>	<u>\$8,048,367.64</u>
Enterprise Funds:		
Water Fund	\$980,205.41	\$270,000.00
Wastewater Fund	672,333.60	363,000.00
Golf Course Fund		129,898.87
Civic Center Fund	167,510.09	
Ambulance Fund		158,999.76
Energy Plant Fund		167,510.09
Total Enterprise Funds	<u>\$1,820,049.10</u>	<u>\$1,089,408.72</u>

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 \$51,202.56.

The General Fund loaned monies to Tax Increment District 41 and TID 51 Fund for infrastructure improvements. The current portion expected to be repaid to the General Fund is \$154,910.79.

The General Fund loaned monies to Tax Increment District 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 \$266,442.70.

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 \$25,097.02.

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 \$429,155.92.

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.

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

The Civic Center 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 \$167,510.09.

The Consolidated Construction Fund loaned monies to the Golf Fund for infrastructure improvement. The current portion expected to be repaid is \$9,185.35.

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 \$672,333.60.

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 \$135,407.01.

Interfund transfers during the year ended December 31, 2010 were as follows:

	Transfers In	Transfers Out
GENERAL FUND		
Enterprise-Major		
Water	\$240,131.00	
Wastewater	149,766.00	
Solid Waste MRF/Compost	50,553.00	
Civic Center	145,501.00	\$41,875.00
Airport		
Enterprise-Nonmajor	57,547.00	146,268.00
Special Revenue - Nonmajor	20,000.00	649,868.00
Total General Fund	<u>\$663,498.00</u>	<u>\$838,011.00</u>
OTHER GOVERNMENTAL FUNDS:		
Consolidated Construction		
Solid Waste MRF/Compost		\$122,210.75
Nonmajor Enterprise		1,228,895.52
Total Consolidated Construction		<u>\$1,351,106.27</u>
Utility Facilities Fund		
Wastewater		\$700,000.00
Total Utility Facilities Fund		<u>\$700,000.00</u>
Nonmajor Governmental		
General Fund	\$629,868.00	
Water	23,672.39	\$893,141.90
Wastewater	78,649.71	862,448.85
Nonmajor Enterprise		9,100.00
Total Nonmajor Governmental	<u>\$732,190.10</u>	<u>\$1,764,690.75</u>
Total Governmental Funds	<u>\$1,395,688.10</u>	<u>\$4,653,808.02</u>

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
ENTERPRISE FUNDS:		
Water		
General		\$240,131.00
Nonmajor Governmental		23,672.39
Enterprise - Nonmajor		34,598.06
Wastewater	\$30,000.00	
Total Water	<u>\$30,000.00</u>	<u>\$298,401.45</u>
Wastewater		
General		\$149,766.00
Water		30,000.00
Utility Facilities	\$700,000.00	
Nonmajor Governmental		78,649.71
Total Wastewater	<u>\$700,000.00</u>	<u>\$258,415.71</u>
Solid Waste MRF/Compost		
Consolidated Construction	\$122,210.75	
General Fund		\$50,553.00
Total Solid Waste MRF/Compost	<u>\$122,210.75</u>	<u>\$50,553.00</u>
Civic Center		
General	\$41,875.00	\$145,501.00
Total Civic Center	<u>\$41,875.00</u>	<u>\$145,501.00</u>
Nonmajor Enterprise		
General	\$146,268.00	\$57,547.00
Nonmajor Enterprise	156,742.00	156,742.00
Water	34,598.06	
Total Nonmajor Enterprise	<u>\$337,606.06</u>	<u>\$214,289.00</u>
Total Enterprise	<u>\$1,231,693.81</u>	<u>\$967,160.16</u>
Total Transfers	<u>\$2,627,381.91</u>	<u>\$5,620,968.18</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	\$98,147.49
Motor Vehicle	15,207.40
Liquor Tax Reversion	103,206.40
Air Quality Grant	12,257.32
Historic Preservation	2,381.67
Police Grant	94,291.81
Drug Seizures	36,643.93
Blood Testing	14,829.00
School Liaison	14,632.90
Transportation	5,092.50
Civic Center	4,072.00
Police Reimbursements from other Agencies	10,016.85
Urban Mass Transit Grant	91,922.00
Energy Grant	10,604.21
Transportation Planning	396,515.21
Total	<u>\$909,820.69</u>
Consolidated Construction Fund	
Reimbursement from SD DOT	\$1,693,048.57
Total	<u>\$1,693,048.57</u>
Nonmajor Governmental Funds	
RSVP Grant	\$5,656.97
Community Development Grant	32,593.73
ARRA Community Development Grant	3,313.43
Total	<u>\$41,564.13</u>
Total Governmental Funds	<u>\$2,644,433.39</u>

PROPRIETARY FUNDS:

Airport Fund	
Airport Improvement Project	\$1,361,880.85
Total	<u>\$1,361,880.85</u>
Waste Water Fund	
Permit and Cost Reimbursement	\$69,459.05
Total	<u>\$69,459.05</u>
Solid Waste/MRF Fund	
Airport Gate Fees	\$10.31
Total	<u>\$10.31</u>
Nonmajor Proprietary Funds	
Energy Plant – Due from RCAS	\$52,758.43
Solid Waste Disposal – Energy Grant	12,583.80
Transportation Term – Building Rental	1,200.00
Total	<u>\$66,542.23</u>
Total Proprietary Funds	<u>\$1,497,892.44</u>
Grand Total	<u>\$4,142,325.83</u>

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		\$913,988.58
Capital Assets		<u>6,646,869.39</u>
Total Assets		<u>\$7,560,857.97</u>
Liabilities		
Other Current Liabilities		\$113,863.10
Noncurrent Liabilities		<u>2,269,925.23</u>
Total Liabilities		<u>\$2,383,788.33</u>
Net Assets		
Invested in Capital Assets	Net of	\$4,297,536.80
related debt		
Revenue Bond Retirement		245,768.02
Unrestricted		<u>633,764.82</u>
Total Net Assets		<u>\$5,177,069.64</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$678,863.74
Depreciation Expense	(88,434.87)
Other Operating Expenses	<u>(401,718.69)</u>
Operating Income	188,710.18
Investment Income	19,014.40
Interest Expense	<u>(107,086.50)</u>
Net Income	100,638.08
Transfers	<u>(19,311.00)</u>
Changes in Net Assets	81,327.08
Beginning Net Assets	<u>5,095,742.56</u>
Ending Net Assets	<u>\$5,177,069.64</u>

STATEMENT OF CASH FLOWS

Net Cash Provided (used) by:	
Operating Activities	\$264,111.83
Noncapital Finance Activities	(19,311.00)
Capital and Related Financing Activities	<u>(181,515.93)</u>
Investing Activities	14,012.73
Net Increase	77,297.63
Beginning Cash and Equivalents	<u>306,638.10</u>
Ending Cash and Equivalents	<u>\$383,935.73</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. Record correction of inter-fund transfers from 2009 of \$730,952.47 between TID 42 and Water Fund based on actual certified costs for the TID eligible project. This adjustment increased net assets in the Government Activities and decreased net assets in the Business-type Activities.

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

NOTE 8. PRIOR PERIOD ADJUSTMENTS (continued)

2. Record an interfund loan of \$350,000 in 2009 between TID 51 Fund and TID 39 Fund which results in no net change in net assets in the Government Activities.
3. Reclassify a 2009 loan draw recorded as revenue in the Water fund for \$776,261.00. This adjustment decreased net assets in the Business-type Activities.

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, 2010, 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 \$38,180,000.

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, 2010, 2009 and 2008 are \$2,266,781, \$2,296,544 and \$2,180,730 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 2010, the City's annual OPEB cost for the retiree health insurance was \$1,265,479. The City's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended December 31, 2010, were as follows:

ARC	\$ 1,262,622
Interest on Net OPEB	63,935
Adjustment to ARC	(61,078)
Annual OPEB Cost	<u>1,265,479</u>
Contributions Made	<u>(877,553)</u>
Change in net OPEB obligation	387,926
Net OPEB obligation-beg of year	<u>1,598,371</u>
Net OPEB obligation-end of year	<u><u>\$ 1,986,297</u></u>

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
12/31/2010	\$1,265,479.00	\$877,553.00	69.35%	\$1,986,296.85

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of January 1, 2010, was as follows:

Actuarial Present Value of Future Benefits.....	<u>\$23,308,044.00</u>
Actuarial Accrued Liability.....	\$14,813,015.00
Actuarial Value of Benefit Assets.....	-
Unfunded Actuarial Accrued Liability.....	<u>\$14,813,015.00</u>
Funded Ratio.....	0.0%
Covered Payroll.....	\$32,802,510.60
Unfunded Actuarial Accrued Liability as a percentage Of Covered Payroll.....	45.2%

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.

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 2010, the monthly rates were \$404 for single coverage; \$808 for two-party; \$1,236 for family (up to 4); \$1,360 for family (5+); and \$358 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 4.0% investment rate of return. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 4%. The health care cost trend rates are as follows:

Fiscal Year	Expense Rate
2010	9.3%
2011	8.9%
2012	8.5%
2013	8.1%
2014	7.7%
2015	7.3%
2016	6.9%
2017	6.6%
2018	6.3%
After 2018	4.7-6.1%

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, 2010, there are deficit fund balances in the following funds: TID 55 (\$670,013.93), TID 56 (\$1,521,485.98), TID 51 (\$345,542.76), TID 38 (\$10,105.41) TID 39 (\$818,075.39), TID 41 (\$299,123.11), and TID 42 (\$3,640,361.68), 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, 2010:

General – Public Works – Highways and Streets	\$1,129.32
2012 Sales Tax Fund – Recreation	\$2,804.00
Consolidated Construction – Public Works Administration	13.00
Consolidated Construction – Culture and Recreation	3,293.58
Consolidated Construction – Transfers Out	1,301,106.27
Utility Facilities – Debt Service	237,372.73
Utility Facilities – Other Expenditures	1,051.63
TID 33 – Debt Service	31,121.77
Downtown BID – Other Expenditures	163,386.46
TID 65 – Debt Service	125,103.73
TID 65 – Transfers Out	465,586.86
TID 61 – Transfers Out	18,983.41
TID 29 – Debt Service	2,897.24
TID 46 – Debt Service	10,536.47
TID 46 – Transfers Out	330,790.90
TID 50 – Debt Service	2,552.27
TID 51 – Debt Service	11,222.01
TID 47 – Debt Service	77,027.35
TID 36 – Capital Outlay	134,639.35
TID 38 – Debt Service	45,243.31
TID 39 – Debt Service	3,111.02
TID 40 – Debt Service	5,868.31
Rehabilitation – Community Development	62,751.31
TID 35 – Debt Service	2,172.00

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 \$72,068.83, in the medical insurance fund of \$7,005,640.70, in the unemployment insurance fund of \$274,992.49, in the liability insurance fund of \$883,349.40, and in the dental insurance fund of \$100,659.47 for the payment of such future claims.

Changes in the aggregate liabilities of the self-insurance funds during 2010 were as follows:

	Liability Insurance	Dental Insurance	Workers Comp. Insurance	Medical Insurance	Unempl. Insurance
Benefit Claims Payable at Beginning of Year	\$436,707.97	\$11,258.00	\$1,349,598.31	\$435,021.24	\$10,765.09
Claims Incurred: Attributable to Insured Events of the Current Year	373,055.05	159,894.77	627,147.96	5,147,739.86	40,109.96
Claims Paid: Attributable to Insured Events of the Current and Prior Years	(349,133.15)	(163,818.37)	(373,543.67)	(4,978,969.48)	(39,801.21)
Benefit Claims Payable At End of Year	\$460,629.87	\$7,334.40	\$1,603,202.60	\$603,791.62	\$11,073.84

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 \$1,334,353.73 reported as landfill closure and postclosure care liability at December 31, 2010 represents the cumulative amount reported to date based on the issue of 28.6 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 \$3.333 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 2010. 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, 2010, investments of \$1,334,353.73 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, 2010**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
311 General Property Taxes	\$12,810,519.00	\$ 12,810,519.00	\$12,856,723.27
313 General Sales and Use Taxes	20,528,881.00	20,528,881.00	19,932,704.45
314 Gross Receipts Business Taxes	585,000.00	585,000.00	582,585.85
320 Licenses and Permits	1,666,474.00	1,666,474.00	1,278,043.50
330 Intergovernmental Revenue:			
331 Federal Grants	1,737,123.00	1,903,177.22	1,743,310.13
334 State Grants	49,925.00	58,815.22	28,425.00
335 State Shared Revenue:			
335.01 Bank Franchise Tax	100,000.00	100,000.00	94,235.03
335.03 Liquor Tax Reversion	360,000.00	360,000.00	373,663.78
335.04 Motor Vehicle Licenses (5%)	48,750.00	48,750.00	43,863.09
335.06 Fire Insurance Reversion	180,000.00	180,000.00	184,036.73
335.08 Local Government Highway and Bridge Fund	445,000.00	445,000.00	511,323.54
338 County Shared Revenue:			
338.01 County Road Tax (25%)	276,250.00	276,250.00	256,455.68
340 Charges for Goods and Services:			
341 General Government	142,351.00	142,351.00	329,993.03
342 Public Safety	486,395.00	740,841.00	675,209.34
343 Public Works	18,000.00	18,000.00	98,146.50
345 Health & Welfare	460,000.00	460,000.00	341,588.09
346 Culture and Recreation	1,315,224.00	1,711,859.00	1,603,189.05
349 Conservation & Development	183,000.00	183,000.00	-
350 Fines and Forfeits:			
351 Court Fines and Costs	75,000.00	75,000.00	22,134.20
360 Miscellaneous Revenue:			
361 Interest Earnings	622,000.00	622,000.00	651,091.74
362 Rentals	25,000.00	25,000.00	143,442.08
363 Special Assessments	-	-	86,378.63
367 Contributions and Donations	-	-	20,000.00
369 Other	250,000.00	298,700.00	15,799.92
Total Revenue	42,364,892.00	43,239,617.44	41,872,342.63
Expenditures:			
410 General Government:			
411 Contingency Transferred	200,000.00	200,000.00 (58,495.00)	-
412 Executive-Mayor & Council	599,098.00	603,708.32	578,198.21
414 Financial - Community Resources	406,422.00	481,234.98	401,912.21
414 Financial - Finance	756,990.00	807,634.18	735,969.31
414 Financial - Attorney	72,839.00	86,709.43	65,532.23
419 Other - Government Bldgs	828,369.00	857,308.34	837,233.91
420 Public Safety:			
421 Police	12,600,767.00	12,744,269.29	11,841,378.86
422 Fire	7,974,197.00	8,120,249.94	7,824,887.31
429 Other Protection-Corrections	48,000.00	48,000.00	47,822.00
429 Other Protection-Code Enforcement	195,088.00	195,613.71	194,686.90
429 Other Protection-Comm Dev - Nongrant	19,470.00	21,218.50	17,001.02
430 Other Protection-Re-entry Program	-	177,753.00	56,853.50

	ORIGINAL <u>BUDGET</u>	FINAL <u>BUDGET</u>	ACTUAL <u>(Budgetary Basis)</u>
429 Other Protection-Emergency Mgt	86,451.00	86,451.00	86,451.00
430 Public Works:			
431 Highways and Streets	5,507,280.00	5,774,204.29	5,775,333.61
43x Administration	(52,596.00)	224,495.41	53,472.08
440 Health and Welfare:			
441 Health	438,000.00	438,735.00	438,000.00
444 Humane Society	242,018.00	242,018.00	242,018.00
449 Other - Public Transit	1,781,716.00	1,801,084.46	1,743,626.20
449 Other - Air Quality	79,161.00	81,487.36	68,606.89
450 Culture and Recreation:			
451 Recreation	395,075.00	381,686.25	358,971.39
451 Swimming Pools	1,553,095.00	1,561,731.98	1,497,399.84
451 Ice Arena	622,251.00	655,866.22	650,205.20
452 Parks	2,280,532.00	2,288,907.02	2,191,040.24
455 Libraries	2,694,189.00	3,160,641.73	3,057,086.65
457 Historic Preservation	10,500.00	21,329.72	10,600.22
459 Other - Parks & Recreation Admin	210,680.00	211,593.74	210,310.23
459 Other - Subsidies	200,000.00	200,000.00	200,000.00
460 Conservation and Development:			
465 Economic Development	458,000.00	458,000.00	458,000.00
465 Community Development	2,336,555.00	2,357,540.72	1,867,127.59
465 Transportation Planning	478,528.00	892,635.98	569,360.23
465 GIS Information System	81,948.00	103,725.12	57,426.76
470 Debt Service	123,552.00	123,552.00	121,551.68
485 Capital Outlay	1,858,118.00	2,181,155.82	808,732.06
Total Expenditures	<u>45,086,293.00</u>	<u>47,532,046.51</u>	<u>43,066,795.33</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(2,721,401.00)</u>	<u>(4,292,429.07)</u>	<u>(1,194,452.70)</u>
Other Financing Sources (Uses):			
391.01 Transfers In	643,498.00	663,498.00	663,498.00
511 Transfers Out	(171,843.00)	(838,011.00)	(838,011.00)
391.03 Sale of Municipal Property	30,000.00	30,000.00	21,561.55
391.27 Capital Leases	-	-	-
Total Other Financing Sources (Uses)	<u>501,655.00</u>	<u>(144,513.00)</u>	<u>(152,951.45)</u>
Net Change in Fund Balances	(2,219,746.00)	(4,436,942.07)	(1,347,404.15)
Fund Balance - Beginning	14,065,186.56	14,065,186.56	14,065,186.56
FUND BALANCE- ENDING	<u>\$11,845,440.56</u>	<u>\$9,628,244.49</u>	<u>\$12,717,782.41</u>

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, 2010**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 10,380,274.00	\$ 10,380,274.00	\$ 9,959,203.90
340 Charges for Goods and Services:			
341 General Government	-	-	114,382.66
346 Culture & Recreation	29,891.00	34,891.00	-
360 Miscellaneous Revenue:			
361 Interest Earnings	69,898.00	69,898.00	615,420.82
367 Contributions and Donations	-	-	-
Total Revenue	<u>10,480,063.00</u>	<u>10,485,063.00</u>	<u>10,689,007.38</u>
Expenditures:			
410 General Government			
419 Other - Government Buildings	-	229,333.93	57,675.49
430 Public Works:			
431 Highways and Streets	-	151,758.19	50,501.93
43x Administration	271,480.00	271,480.00	271,476.00
450 Culture and Recreation			
451 Recreation	-	-	2,804.00
460 Conservation & Development			
465 Economic Development	1,200,000.00	504,780.00	249,291.00
470 Debt Service	6,721,750.00	6,721,750.00	6,711,631.56
485 Capital Outlay	2,954,500.00	22,068,812.82	2,963,380.37
490 Miscellaneous			
492 Other Expenditures	10,000.00	15,000.00	10,352.39
Total Expenditures	<u>11,157,730.00</u>	<u>29,962,914.94</u>	<u>10,317,112.74</u>
Excess of Revenue Over (Under) Expenditures	<u>(677,667.00)</u>	<u>(19,477,851.94)</u>	<u>371,894.64</u>
Other Financing Sources (Uses):			
511 Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(677,667.00)</u>	<u>(19,477,851.94)</u>	<u>371,894.64</u>
Fund Balance - Beginning	22,034,635.50	22,034,635.50	22,034,635.50
FUND BALANCE- ENDING	<u><u>\$ 21,356,968.50</u></u>	<u><u>\$ 2,556,783.56</u></u>	<u><u>\$ 22,406,530.14</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, 2010**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 10,380,274.00	\$ 10,380,274.00	\$ 9,966,486.45
330 Intergovernmental Revenue:			
331 Federal Grants	-	-	1,031,150.00
334 State Grants	-	-	2,983,378.40
340 Charges for Goods and Services:			
341 General Government	-	-	178,513.38
343 Public Works	746,024.00	746,024.00	19,276.10
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	225,736.13
367 Contributions and Donations	-	-	-
Total Revenue	<u>11,126,298.00</u>	<u>11,126,298.00</u>	<u>14,404,540.46</u>
Expenditures:			
410 General Government:			
414 Financial - Community Resources	-	500,000.00	58,662.65
419 Other - Government Bldgs	-	35,961.56	-
430 Public Works:			
431 Highways and Streets	-	1,619,358.41	404,369.54
43x Administration	1,184,579.00	1,184,579.00	1,184,592.00
450 Culture & Recreations			
452 Parks	63,648.00	63,648.00	66,941.58
470 Debt Service	2,012,626.00	1,832,626.00	1,812,625.65
485 Capital Outlay	8,185,460.00	13,734,601.95	12,214,858.09
490 Miscellaneous			
492 Other Expenditures	355,000.00	288,831.00	1,871.00
Total Expenditures	<u>11,801,313.00</u>	<u>19,259,605.92</u>	<u>15,743,920.51</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(675,015.00)</u>	<u>(8,133,307.92)</u>	<u>(1,339,380.05)</u>
Other Financing Sources (Uses):			
391.01 Transfers In	-	-	-
511 Transfers Out	-	(50,000.00)	(1,351,106.27)
391.02 Long-term debt issued	-	721,000.00	721,380.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>671,000.00</u>	<u>(629,726.27)</u>
Net Change in Fund Balances	(675,015.00)	(7,462,307.92)	(1,969,106.32)
Fund Balance - Beginning	13,767,366.99	13,767,366.99	13,767,366.99
FUND BALANCE- ENDING	<u>\$ 13,092,351.99</u>	<u>\$ 6,305,059.07</u>	<u>\$ 11,798,260.67</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, 2010**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 1,618,976.00	\$ 1,618,976.00	\$ 3,466,553.92
340 Charges for Goods and Services:			
343 Public Works	60,000.00	60,000.00	-
360 Miscellaneous Revenue:			
361 Interest Earnings	182,542.00	182,542.00	463,174.66
Total Revenue	<u>1,861,518.00</u>	<u>1,861,518.00</u>	<u>3,929,728.58</u>
Expenditures:			
470 Debt Service	1,861,518.00	1,861,518.00	2,098,890.73
490 Other Expenditures	-	5,000.00	6,051.63
Total Expenditures	<u>1,861,518.00</u>	<u>1,866,518.00</u>	<u>2,104,942.36</u>
Excess of Revenue Over (Under) Expenditures	-	(5,000.00)	1,824,786.22
Other Financing Sources (Uses):			
511 Transfers Out	-	(700,000.00)	(700,000.00)
391.02 Long-term debt issued	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(700,000.00)</u>	<u>(700,000.00)</u>
Net Change in Fund Balances	-	(705,000.00)	1,124,786.22
Fund Balance - Beginning	15,100,334.21	15,100,334.21	15,100,334.21
FUND BALANCE- ENDING	<u>\$ 15,100,334.21</u>	<u>\$ 14,395,334.21</u>	<u>\$ 16,225,120.43</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 and year-end arbitrage accrual.

Fund:	Final Budget	Actual Expenditure	Overdraft
General Fund:			
Highways and Streets	\$5,774,204.29	\$5,775,333.61	\$1,129.32
Vision 2012 Fund:			
Recreation	\$0	\$2,804.00	\$2,804.00
Consolidated Construction Fund:			
Public Works Administration	\$1,184,579.00	\$1,184,592.00	\$13.00
Parks	\$63,648.00	\$66,941.58	\$3,293.58
Transfers Out	\$50,000.00	\$1,351,106.27	\$1,301,106.27
Utility Facility Fund:			
Debt Service	\$1,861,518.00	\$2,098,890.73	\$237,372.73
Other Expenditures	\$5,000.00	\$6,051.63	\$1,051.63

**CITY OF RAPID CITY
 SCHEDULE OF FUNDING PROGRESS
 FOR RETIREE HEALTH INSURANCE COVERAGE
 FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule of Funding Progress for the Retiree Health Insurance Coverage

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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	\$ 12,867,931	0.0%	\$ 31,138,695	41.3%
12/31/2009	\$ -	\$ 12,867,931	\$ 12,867,931	0.0%	\$ 32,525,263	39.6%
12/31/2010	\$ -	\$ 14,813,015	\$ 14,813,015	0.0%	\$ 32,802,511	45.2%

**OTHER
SUPPLEMENTARY
INFORMATION**

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

	TID 33 Fund	Occupancy Tax Fund	Downtown BID Tax Fund	Repair and Demolition Fund	Erosion/ Sediment Control Fund	Drainage Fund	TID 67 Fund	TID 70 Fund
ASSETS:								
101 Cash and Cash Equivalents	\$ 2.77	\$ 81,404.72	\$ 166,241.52	\$ 105,611.57	\$ 79,102.23	\$ 605,333.09	\$ 7,811.28	\$ 100,047.34
102 Restricted Cash	-	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-	-
110 Property Tax Receivable	-	-	-	-	-	-	-	10,121.02
115 Accounts Receivable, Net	-	62,452.00	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	2,286.00	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	22,614.08	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	12,097.00	26,375.50	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-	-
135 Interest Receivable	-	83.88	606.73	4,646.75	-	-	8.30	109.70
TOTAL ASSETS	\$ 2.77	\$ 143,940.60	\$ 178,945.25	\$ 161,533.90	\$ 79,102.23	\$ 605,333.09	\$ 7,819.58	\$ 110,278.06
LIABILITIES AND FUND BALANCES:								
Liabilities:								
201 Claims Payable	-	126,692.47	163,553.00	-	31.72	-	-	-
208 Due to Other Funds	-	-	-	-	-	-	-	-
209 Advance from Other Funds	-	-	-	-	-	-	-	-
2xx Wages Payable	-	867.32	-	-	-	-	-	-
224 Deferred Revenue	-	-	5,982.00	48,327.08	-	-	-	-
Total Liabilities	-	127,559.79	169,535.00	48,327.08	31.72	-	-	-
Fund Balances:								
261 Reserved For:								
261.16 TIDS - Debt Service	2.77	-	-	-	-	-	7,819.58	110,278.06
261.16 Business Improvement District	-	16,380.81	9,410.25	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	-	113,206.82	79,070.51	605,333.09	-	-
Debt Service Funds	-	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-	-
Total Fund Balances	2.77	16,380.81	9,410.25	113,206.82	79,070.51	605,333.09	7,819.58	110,278.06
TOTAL LIABILITIES AND FUND BALANCES	\$ 2.77	\$ 143,940.60	\$ 178,945.25	\$ 161,533.90	\$ 79,102.23	\$ 605,333.09	\$ 7,819.58	\$ 110,278.06

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

	TID 68 Fund	TID 65 Fund	TID 62 Fund	TID 61 Fund	TID 63 Fund	TID 59 Fund	TID 29 Fund	TID 55 Fund
ASSETS:								
101 Cash and Cash Equivalents	\$ 6,503.04	\$ 6,247.06	\$ 201,677.13	\$ 3.70	\$ 3,642.53	\$ 1,229.80	\$ 2,129.20	\$ 401.70
102 Restricted Cash	-	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-	-
110 Property Tax Receivable	94.82	-	-	-	3,631.06	-	-	8,758.31
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	6.91	6.64	214.26	0.01	3.87	1.30	2.26	0.43
TOTAL ASSETS	\$ 6,604.77	\$ 6,253.70	\$ 201,891.39	\$ 3.71	\$ 7,277.46	\$ 1,231.10	\$ 2,131.46	\$ 9,160.44
LIABILITIES AND FUND BALANCES:								
Liabilities:								
201 Claims Payable	-	-	-	-	-	-	-	-
208 Due to Other Funds	-	-	-	-	-	-	-	672,333.60
209 Advance from Other Funds	-	-	-	-	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-	-	-
224 Deferred Revenue	94.82	-	-	-	-	-	-	6,840.77
Total Liabilities	94.82	-	-	-	-	-	-	679,174.37
Fund Balances:								
261 Reserved For:								
261.16 TIDS - Debt Service	6,509.95	6,253.70	201,891.39	3.71	7,277.46	1,231.10	2,131.46	-
261.16 Business Improvement District	-	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	(670,013.93)
Permanent Funds	-	-	-	-	-	-	-	-
Total Fund Balances	6,509.95	6,253.70	201,891.39	3.71	7,277.46	1,231.10	2,131.46	(670,013.93)
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,604.77	\$ 6,253.70	\$ 201,891.39	\$ 3.71	\$ 7,277.46	\$ 1,231.10	\$ 2,131.46	\$ 9,160.44

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

	TID 56 Fund	TID 54 Fund	TID 44 Fund	TID 46 Fund	TID 48 Fund	TID 19 Fund	TID 50 Fund	TID 49 Fund
ASSETS:								
101 Cash and Cash Equivalents	\$ 271,903.06	\$ 3.16	\$ 49.99	\$ 49,409.90	\$ 317.26	\$ 5.63	\$ 79,975.66	\$ 787,248.11
102 Restricted Cash	-	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-	-
110 Property Tax Receivable	-	25,905.69	103,418.62	16,103.72	-	-	5,607.88	25,102.55
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	288.86	-	0.06	-	-	-	84.96	849.77
TOTAL ASSETS	\$ 272,191.92	\$ 25,908.85	\$ 103,468.67	\$ 65,513.62	\$ 317.26	\$ 5.63	\$ 85,668.50	\$ 813,200.43
LIABILITIES AND FUND BALANCES:								
Liabilities:								
201 Claims Payable	-	-	-	-	-	-	-	-
208 Due to Other Funds	247,346.08	-	-	-	-	-	-	-
209 Advance from Other Funds	1,546,331.82	-	-	-	-	-	-	188,856.00
2xx Wages Payable	-	-	-	-	-	-	-	-
224 Deferred Revenue	-	-	43,372.18	10,270.87	-	-	1,292.06	-
Total Liabilities	1,793,677.90	-	43,372.18	10,270.87	-	-	1,292.06	188,856.00
Fund Balances:								
261 Reserved For:								
261.16 TIDS - Debt Service	-	25,908.85	60,096.49	55,242.75	317.26	5.63	84,376.44	624,344.43
261.16 Business Improvement District	-	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	-	-	-	-	-	-
Debt Service Funds	(1,521,485.98)	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-	-
Total Fund Balances	(1,521,485.98)	25,908.85	60,096.49	55,242.75	317.26	5.63	84,376.44	624,344.43
TOTAL LIABILITIES AND FUND BALANCES	\$ 272,191.92	\$ 25,908.85	\$ 103,468.67	\$ 65,513.62	\$ 317.26	\$ 5.63	\$ 85,668.50	\$ 813,200.43

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

	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund	TID 36 Fund	TID 38 Fund	TID 39 Fund	TID 40 Fund
ASSETS:								
101 Cash and Cash Equivalents	\$ 64,942.11	\$ 74.46	\$ 1,358.85	\$ 334.51	\$ 360,546.43	\$ 84,213.48	\$ 23,044.13	\$ 2.04
102 Restricted Cash	-	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-	-
110 Property Tax Receivable	-	6,700.76	-	-	-	18,482.82	-	-
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	68.99	0.08	1.45	0.36	-	89.44	24.48	-
TOTAL ASSETS	\$ 65,011.10	\$ 6,775.30	\$ 1,360.30	\$ 334.87	\$ 360,546.43	\$ 102,785.74	\$ 23,068.61	\$ 2.04
LIABILITIES AND FUND BALANCES:								
Liabilities:								
201 Claims Payable	-	-	-	-	-	-	-	-
208 Due to Other Funds	-	125,306.05	-	-	-	-	-	-
209 Advance from Other Funds	-	224,693.95	-	-	-	100,000.00	841,144.00	-
2xx Wages Payable	-	-	-	-	-	-	-	-
224 Deferred Revenue	-	2,318.06	-	-	-	12,891.15	-	-
Total Liabilities	-	352,318.06	-	-	-	112,891.15	841,144.00	-
Fund Balances:								
261 Reserved For:								
261.16 TIDS - Debt Service	65,011.10	-	1,360.30	334.87	360,546.43	-	-	2.04
261.16 Business Improvement District	-	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	-	-	-	-	-	-
Debt Service Funds	-	(345,542.76)	-	-	-	(10,105.41)	(818,075.39)	-
Permanent Funds	-	-	-	-	-	-	-	-
Total Fund Balances	65,011.10	(345,542.76)	1,360.30	334.87	360,546.43	(10,105.41)	(818,075.39)	2.04
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,011.10	\$ 6,775.30	\$ 1,360.30	\$ 334.87	\$ 360,546.43	\$ 102,785.74	\$ 23,068.61	\$ 2.04

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

	TID 41 Fund	TID 42 Fund	TID 43 Fund	Community Development Fund	ARRA Comm Development Fund	Rehabilitation Loan/Grant Fund	Education Loan Fund	Cemetery Perpetual Care Fund
ASSETS:								
101 Cash and Cash Equivalents	\$ 17,948.71	\$ 7,390.47	\$ 307,710.66	\$ -	\$ -	\$ -	\$ 11,237.61	\$ 6,839.35
102 Restricted Cash	-	-	-	7,185.66	-	57,884.37	-	-
151 Investments	-	-	-	-	-	-	-	47,658.70
110 Property Tax Receivable	101,224.23	71,043.64	74,980.63	-	-	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-	3,450.96	352.40
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	32,593.73	3,313.43	-	-	-
135 Interest Receivable	720.53	7.85	-	-	-	-	-	-
TOTAL ASSETS	\$ 119,893.47	\$ 78,441.96	\$ 382,691.29	\$ 39,779.39	\$ 3,313.43	\$ 57,884.37	\$ 14,688.57	\$ 54,850.45
LIABILITIES AND FUND BALANCES:								
Liabilities:								
201 Claims Payable	-	-	-	35,194.85	1,992.84	-	1,552.80	-
208 Due to Other Funds	296,047.44	317,216.85	-	-	-	-	-	-
209 Advance from Other Funds	87,505.06	3,401,586.79	-	-	-	-	-	-
2xx Wages Payable	-	-	-	4,584.54	1,320.59	-	-	-
224 Deferred Revenue	35,464.08	-	25,224.20	-	-	-	-	-
Total Liabilities	419,016.58	3,718,803.64	25,224.20	39,779.39	3,313.43	-	1,552.80	-
Fund Balances:								
261 Reserved For:								
261.16 TIDS - Debt Service	-	-	357,467.09	-	-	-	-	-
261.16 Business Improvement District	-	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-	-
262 Unreserved Fund Balances:								
262.09 Undesignated, Reported in:								
Special Revenue Funds	-	-	-	-	-	57,884.37	13,135.77	-
Debt Service Funds	(299,123.11)	(3,640,361.68)	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-	54,850.45
Total Fund Balances	(299,123.11)	(3,640,361.68)	357,467.09	-	-	57,884.37	13,135.77	54,850.45
TOTAL LIABILITIES AND FUND BALANCES	\$ 119,893.47	\$ 78,441.96	\$ 382,691.29	\$ 39,779.39	\$ 3,313.43	\$ 57,884.37	\$ 14,688.57	\$ 54,850.45

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

	Retired Senior Volunteer Fund	TID 35 Fund	Library Board Fund	Total Nonmajor Governmental Funds
ASSETS:				
101 Cash and Cash Equivalents	\$ 25.00	\$ 601.26	\$ 800.00	\$ 3,443,370.52
102 Restricted Cash	3,931.23	-	78,059.04	147,060.30
151 Investments	-	-	-	47,658.70
110 Property Tax Receivable	-	25,346.92	-	496,522.67
115 Accounts Receivable, Net	-	-	891.46	67,146.82
121 Special Assessments Receivable--Current	-	-	-	2,286.00
122 Special Assessments Receivable--Delinquent	-	-	-	22,614.08
123 Special Assessments Receivable--Deferred	-	-	-	38,472.50
132 Due from Other Government	5,656.97	-	-	41,564.13
135 Interest Receivable	-	0.64	-	7,828.51
TOTAL ASSETS	\$ 9,613.20	\$ 25,948.82	\$ 79,750.50	\$ 4,314,524.23
LIABILITIES AND FUND BALANCES:				
Liabilities:				
201 Claims Payable	325.24	-	9,389.62	338,732.54
208 Due to Other Funds	-	-	-	1,658,250.02
209 Advance from Other Funds	-	-	-	6,390,117.62
2xx Wages Payable	4,573.77	-	-	11,346.22
224 Deferred Revenue	-	-	-	192,077.27
Total Liabilities	4,899.01	-	9,389.62	8,590,523.67
Fund Balances:				
261 Reserved For:				
261.16 TIDS - Debt Service	-	25,948.82	-	2,004,361.68
261.16 Business Improvement District	-	-	-	25,791.06
261.16 RSVP	4,714.19	-	-	4,714.19
262 Unreserved Fund Balances:				
262.09 Undesignated, Reported in:				
Special Revenue Funds	-	-	70,360.88	938,991.44
Debt Service Funds	-	-	-	(7,304,708.26)
Permanent Funds	-	-	-	54,850.45
Total Fund Balances	4,714.19	25,948.82	70,360.88	(4,275,999.44)
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,613.20	\$ 25,948.82	\$ 79,750.50	\$ 4,314,524.23

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	TID 33 Fund	Occupancy Tax Fund	Downtown BID Fund	Repair and Demolition Fund	Erosion/ Sediment Control Fund	Drainage Fund	TID 67 Fund	TID 70 Fund	TID 68 Fund
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ 97,393.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,748.06	\$ 109,146.27	\$ 6,364.46
314 Occupancy Tax	-	1,285,843.60	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:									
341 General Government	-	-	1,756.00	4,314.00	-	-	-	-	-
342 Public Safety	-	-	-	1,370.00	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	31,297.25	45,415.09	-	-	-
350 Fines and Forfeitures:									
354 Library	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:									
361 Investment Earnings	11.94	3,254.97	2,976.66	7,832.18	-	-	71.52	1,131.79	145.49
363 Special Assessments	-	-	169,564.05	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	97,405.40	1,289,098.57	174,296.71	13,516.18	31,297.25	45,415.09	7,819.58	110,278.06	6,509.95
Expenditures:									
420 Public Safety:									
421 Police	-	-	-	15,335.50	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	-	-	-	-	22,176.74	-	-	-	-
470 Debt Service	129,758.16	-	-	-	-	-	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous:									
492 Other Expenditures	-	1,291,053.26	164,886.46	-	-	-	-	-	-
Total Expenditures	129,758.16	1,291,053.26	164,886.46	15,335.50	22,176.74	-	-	-	-
Excess of Revenue Over (Under)									
Expenditures	(32,352.76)	(1,954.69)	9,410.25	(1,819.32)	9,120.51	45,415.09	7,819.58	110,278.06	6,509.95
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	69,950.00	559,918.00	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	-	-	-	-
511 Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	69,950.00	559,918.00	-	-	-
Net Change in Fund Balances	(32,352.76)	(1,954.69)	9,410.25	(1,819.32)	79,070.51	605,333.09	7,819.58	110,278.06	6,509.95
Fund Balance - Beginning	32,355.53	18,335.50	-	115,026.14	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
FUND BALANCE- ENDING	\$ 2.77	\$ 16,380.81	\$ 9,410.25	\$ 113,206.82	\$ 79,070.51	\$ 605,333.09	\$ 7,819.58	\$ 110,278.06	\$ 6,509.95

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	TID 65	TID 62	TID 61	TID 63	TID 59	TID 29	TID 55	TID 56	TID 54	TID 44
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Revenues:										
310 Taxes:										
311 General Property Taxes	\$ 7,230.25	\$ 130,608.90	\$ 201,586.00	\$ 43,891.31	\$ -	\$ -	\$ 610,393.50	\$ 853,667.60	\$ 282,669.13	\$ 1,032,851.47
314 Occupancy Tax	-	-	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:										
341 General Government	-	-	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-	-	-
350 Fines and Forfeitures										
354 Library	-	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:										
361 Investment Earnings	207.85	3,028.59	249.29	219.40	29.88	56.12	961.88	5,301.72	13.86	219.61
363 Special Assessments	-	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-	-
Total Revenue	7,438.10	133,637.49	201,835.29	44,110.71	29.88	56.12	611,355.38	858,969.32	282,682.99	1,033,071.08
Expenditures:										
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	134,546.06	665.45	249,797.28	38,073.17	47.68	3,453.78	531,043.35	828,079.64	266,130.79	1,020,280.99
485 Capital Outlay	4,436,569.54	-	288,280.05	741,957.63	-	-	-	1,051,811.05	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,571,115.60	665.45	538,077.33	780,030.80	47.68	3,453.78	531,043.35	1,879,890.69	266,130.79	1,020,280.99
Excess of Revenue Over (Under)	(4,563,677.50)	132,972.04	(336,242.04)	(735,920.09)	(17.80)	(3,397.66)	80,312.03	(1,020,921.37)	16,552.20	12,790.09
Other Financing Sources (Uses):										
391.01 Transfers In	-	-	-	-	-	-	-	102,322.10	-	-
391.02 Long-term debt issued	5,028,325.73	-	707,263.46	741,957.63	-	3,020.72	-	1,051,811.05	-	-
511 Transfers Out	(465,586.86)	-	(418,983.41)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,562,738.87	-	288,280.05	741,957.63	-	3,020.72	-	1,154,133.15	-	-
Net Change in Fund Balances	(938.63)	132,972.04	(47,961.99)	6,037.54	(17.80)	(376.94)	80,312.03	133,211.78	16,552.20	12,790.09
Fund Balance - Beginning	7,192.33	68,919.35	47,965.70	1,239.92	1,248.90	2,508.40	(750,325.96)	(1,654,697.76)	9,356.65	47,306.40
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
FUND BALANCE- ENDING	\$ 6,253.70	\$ 201,891.39	\$ 3.71	\$ 7,277.46	\$ 1,231.10	\$ 2,131.46	\$ (670,013.93)	\$ (1,521,485.98)	\$ 25,908.85	\$ 60,096.49

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	TID 46 Fund	TID 48 Fund	TID 19 Fund	TID 50 Fund	TID 49 Fund	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund	TID 36 Fund
Revenues:										
310 Taxes:										
311 General Property Taxes	\$ 607,246.04	\$ 12,946.86	\$ 108,118.36	\$ 206,966.50	\$ 456,522.99	\$ 21,392.99	\$ 165,333.21	\$ 88,183.74	\$ 69,517.66	\$ 679,522.51
314 Occupancy Tax	-	-	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:										
341 General Government	-	-	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-	-	-
350 Fines and Forfeitures										
354 Library	-	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:										
361 Investment Earnings	2,453.63	11.60	24.82	1,891.49	14,499.63	1,157.17	8.00	38.60	570.70	4,485.02
363 Special Assessments	-	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-	-
Total Revenue	609,699.67	12,958.46	108,143.18	208,857.99	471,022.62	22,550.16	165,341.21	88,222.34	70,088.36	684,007.53
Expenditures:										
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	728,143.80	12,727.48	110,709.52	290,721.08	4,926.77	1,002.20	176,555.22	88,819.47	175,166.06	513,810.36
485 Capital Outlay	-	-	-	3,720,616.79	-	-	-	-	3,713,628.62	134,639.35
490 Miscellaneous										
492 Other Expenditures	-	-	-	-	-	-	-	-	-	-
Total Expenditures	728,143.80	12,727.48	110,709.52	4,011,337.87	4,926.77	1,002.20	176,555.22	88,819.47	3,888,794.68	648,449.71
Excess of Revenue Over (Under)										
Expenditures	(118,444.13)	230.98	(2,566.34)	(3,802,479.88)	466,095.85	21,547.96	(11,214.01)	(597.13)	(3,818,706.32)	35,557.82
Other Financing Sources (Uses):										
391.01 Transfers In	-	-	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	330,790.90	-	-	4,284,744.27	-	-	-	-	3,790,721.58	134,639.35
511 Transfers Out	(330,790.90)	-	-	(540,229.58)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,744,514.69	-	-	-	-	3,790,721.58	134,639.35
Net Change in Fund Balances	(118,444.13)	230.98	(2,566.34)	(57,965.19)	466,095.85	21,547.96	(11,214.01)	(597.13)	(27,984.74)	170,197.17
Fund Balance - Beginning	173,686.88	86.28	2,571.97	142,341.63	158,248.58	43,463.14	15,671.25	1,957.43	28,319.61	190,349.26
Prior Period Adjustment	-	-	-	-	-	-	(350,000.00)	-	-	-
FUND BALANCE- ENDING	\$ 55,242.75	\$ 317.26	\$ 5.63	\$ 84,376.44	\$ 624,344.43	\$ 65,011.10	\$ (345,542.76)	\$ 1,360.30	\$ 334.87	\$ 360,546.43

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	TID 38 Fund	TID 39 Fund	TID 40 Fund	TID 41 Fund	TID 42 Fund	TID 43 Fund	Community Development Fund	ARRA Comm Development Fund	Rehab Loan/Grant Fund
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ 302,083.14	\$ 30,370.94	\$ 82,701.74	\$ 730,265.85	\$ 589,179.43	\$ 1,158,309.16	\$ -	\$ -	\$ -
314 Occupancy Tax	-	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	356,874.46	104,508.79	-
340 Charges for Goods and Services:									
341 General Government	-	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	35,911.73	-	45,579.90
350 Fines and Forfeitures									
354 Library	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:									
361 Investment Earnings	1,852.07	330.48	8.97	12,807.88	5,530.56	65,588.22	-	-	6.18
363 Special Assessments	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	303,935.21	30,701.42	82,710.71	743,073.73	594,709.99	1,223,897.38	392,786.19	104,508.79	45,586.08
Expenditures:									
420 Public Safety:									
421 Police	-	-	-	-	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	-	-	-	-	-	-	392,786.19	104,508.79	65,851.31
470 Debt Service	347,326.45	33,794.56	89,586.03	510,322.76	309,879.99	3,559,665.55	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-	-
Total Expenditures	347,326.45	33,794.56	89,586.03	510,322.76	309,879.99	3,559,665.55	392,786.19	104,508.79	65,851.31
Excess of Revenue Over (Under) Expenditures	(43,391.24)	(3,093.14)	(6,875.32)	232,750.97	284,830.00	(2,335,768.17)	-	-	(20,265.23)
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	18,281.08	-	-	-	703,958.00	-	-	-
511 Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	18,281.08	-	-	-	703,958.00	-	-	-
Net Change in Fund Balances	(43,391.24)	15,187.94	(6,875.32)	232,750.97	284,830.00	(1,631,810.17)	-	-	(20,265.23)
Fund Balance - Beginning	33,285.83	(1,183,263.33)	6,877.36	(531,874.08)	(4,656,144.15)	1,989,277.26	-	-	78,149.60
Prior Period Adjustment	-	350,000.00	-	-	730,952.47	-	-	-	-
FUND BALANCE- ENDING	\$ (10,105.41)	\$ (818,075.39)	\$ 2.04	\$ (299,123.11)	\$ (3,640,361.68)	\$ 357,467.09	\$ -	\$ -	\$ 57,884.37

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Education Loan Fund	Cemetery Perpetual Care Fund	Retired Senior Volunteer Fund	TID 35 Fund	Library Board Fund	Total Nonmajor Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes	\$ -	\$ -	\$ -	\$ 85,651.54	\$ -	\$ 8,777,863.07
314 Occupancy Tax	-	-	-	-	-	1,285,843.60
331 Federal Grants	-	-	61,808.55	-	-	523,191.80
340 Charges for Goods and Services:						
341 General Government	9,919.32	-	-	-	-	15,989.32
342 Public Safety	-	-	-	-	-	1,370.00
348 Cemetery	-	3,360.00	-	-	-	3,360.00
349 Other-Conservation & Development	-	-	-	-	-	158,203.97
350 Fines and Forfeitures						
354 Library	-	-	-	-	111,987.06	111,987.06
360 Miscellaneous Revenue:						
361 Investment Earnings	-	-	-	832.27	5.60	137,815.64
363 Special Assessments	-	-	-	-	-	169,564.05
367 Contributions and Donations	-	-	38,548.76	-	-	38,548.76
Total Revenue	9,919.32	3,360.00	100,357.31	86,483.81	111,992.66	11,223,737.27
Expenditures:						
420 Public Safety:						
421 Police	-	-	-	-	-	15,335.50
450 Culture and Recreation:						
455 Libraries	-	-	-	-	172,956.43	172,956.43
Retired Senior Volunteers	-	-	105,672.92	-	-	105,672.92
Cemetery	-	45.00	-	-	-	45.00
460 Conservation and Development:						
463 Community Development	-	-	-	-	-	585,323.03
470 Debt Service	-	-	-	93,360.45	-	10,248,394.10
485 Capital Outlay	-	-	-	89,770.63	-	14,177,273.66
490 Miscellaneous						
492 Other Expenditures	7,936.28	-	-	-	-	1,463,876.00
Total Expenditures	7,936.28	45.00	105,672.92	183,131.08	172,956.43	26,768,876.64
Excess of Revenue Over (Under)						
Expenditures	1,983.04	3,315.00	(5,315.61)	(96,647.27)	(60,963.77)	(15,545,139.37)
Other Financing Sources (Uses):						
391.01 Transfers In	-	-	-	-	-	732,190.10
391.02 Long-term debt issued	-	-	-	93,395.64	-	16,888,909.41
511 Transfers Out	-	(9,100.00)	-	-	-	(1,764,690.75)
Total Other Financing Sources (Uses)	-	(9,100.00)	-	93,395.64	-	15,856,408.76
Net Change in Fund Balances	1,983.04	(5,785.00)	(5,315.61)	(3,251.63)	(60,963.77)	311,269.39
Fund Balance - Beginning	11,152.73	60,635.45	10,029.80	29,200.45	131,324.65	(5,318,221.30)
Prior Period Adjustment	-	-	-	-	-	730,952.47
FUND BALANCE- ENDING	\$ 13,135.77	\$ 54,850.45	\$ 4,714.19	\$ 25,948.82	\$ 70,360.88	\$ (4,275,999.44)

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**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUND
DECEMBER 31, 2010**

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
ASSETS:				
Current Assets:				
101 Cash and Cash Equivalents	\$ 1,528,525.49	\$ 345,696.77	\$ 4,994.01	\$ 54,806.45
106 Cash with Fiscal Agent	-	-	-	-
107 Restricted Cash	-	1,334,353.73	-	-
151 Investments	-	3,856,511.06	-	22,927.79
115 Accounts Receivable	242,023.24	248,229.81	-	16,052.22
116 Estimated Uncollectable Accounts Receivable	(12,000.00)	(38,000.00)	-	-
132 Due from Other Governments	-	12,583.80	-	-
135 Interest Receivable	1,902.45	5,768.50	14.81	177.61
155 Prepaid Expenses	-	-	-	-
Total Current Assets	<u>1,760,451.18</u>	<u>5,765,143.67</u>	<u>5,008.82</u>	<u>93,964.07</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	180,240.34	22,954.01
164 Improvements Other than Bldg	702,556.36	614,344.02	1,128,679.93	550,879.01
164 Furniture & Equipment	-	1,093,120.86	77,409.00	115,966.12
166 Machinery and Equipment	3,443,160.82	2,298,885.00	6,449.00	118,775.82
168 Construction Work in Progress	-	1,737,012.69	-	58,307.15
Less: Accumulated Depreciation	(1,509,061.03)	(2,300,576.39)	(778,163.67)	(485,439.65)
Total Noncurrent Assets	<u>2,775,086.53</u>	<u>5,817,642.35</u>	<u>1,210,970.74</u>	<u>405,593.46</u>
TOTAL ASSETS	<u><u>\$ 4,535,537.71</u></u>	<u><u>\$ 11,582,786.02</u></u>	<u><u>\$ 1,215,979.56</u></u>	<u><u>\$ 499,557.53</u></u>
LIABILITIES:				
Current Liabilities:				
202 Accounts Payable	\$ 33,230.21	\$ 98,469.70	\$ 1,508.80	\$ 3,094.19
208 Due to Other Funds	-	-	-	-
215 Accrued Interest Payable	-	3,152.17	-	-
2xx Wages Payable	34,641.54	20,551.23	4,630.71	5,886.11
226 OPEB Current Obligations	13,714.96	7,864.10	1,946.48	2,658.62
226 Bonds Payable Current:	-	-	-	-
226 Capital Lease Payable Current	275,412.70	-	-	-
230 Compensated Absences Payable -- Current	3,500.00	-	-	-
Total Current Liabilities	<u>360,499.41</u>	<u>130,037.20</u>	<u>8,085.99</u>	<u>11,638.92</u>
Noncurrent Liabilities:				
209 Advance from Other Funds	-	-	-	-
231 OPEB Long-Term Obligations	17,328.16	9,935.89	2,459.28	3,359.03
231 Bonds Payable:	-	-	-	-
231 Capital Lease Payable	1,539,038.09	-	-	-
233 Accrued Leave Payable	41,874.61	16,521.33	2,627.78	8,557.48
235 Accrued Landfill Closure and Postclosure	-	1,334,353.73	-	-
Total Noncurrent Liabilities	<u>1,598,240.86</u>	<u>1,360,810.95</u>	<u>5,087.06</u>	<u>11,916.51</u>
NET ASSETS:				
253.10 Invested in Capital Assets, Net of Related Debt	960,635.74	5,817,642.35	1,210,970.74	405,593.46
253.20 Restricted Net Assets, Restricted for:				
253.22 Revenue Bond Retirement	-	-	-	-
253.90 Unrestricted Net Assets	1,616,161.70	4,274,295.52	(8,164.23)	70,408.64
Total Net Assets	<u>2,576,797.44</u>	<u>10,091,937.87</u>	<u>1,202,806.51</u>	<u>476,002.10</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,535,537.71</u></u>	<u><u>\$ 11,582,786.02</u></u>	<u><u>\$ 1,215,979.56</u></u>	<u><u>\$ 499,557.53</u></u>

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 146,100.96	\$ 138,167.71	\$ -	\$ 950,771.23	\$ 124,342.84	\$ 3,293,405.46
-	245,768.02	-	-	-	245,768.02
-	-	-	-	-	1,334,353.73
-	347,895.62	-	-	-	4,227,334.47
2,726.62	258,762.06	23,242.31	6,535,458.44	230.98	7,326,725.68
-	(120,386.04)	-	(5,019,536.67)	-	(5,189,922.71)
-	-	52,758.43	-	1,200.00	66,542.23
144.08	2,393.69	-	1,022.37	266.80	11,690.31
-	41,387.52	-	-	-	41,387.52
148,971.66	913,988.58	76,000.74	2,467,715.37	126,040.62	11,357,284.71

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	8,759,461.24
1,568,061.18	487,832.95	-	-	7,439.00	5,059,792.45
549,315.74	-	96,499.06	408,562.30	-	2,340,873.08
200,139.00	16,025.00	20,557.00	939,388.07	-	7,043,379.71
50,562.50	-	-	-	1,642,642.23	3,488,524.57
(1,668,005.17)	(977,818.86)	(501,790.01)	(655,493.84)	(458,139.26)	(9,334,487.88)
3,630,213.32	6,646,869.39	391,836.58	723,115.57	2,376,443.08	23,977,771.02
\$ 3,779,184.98	\$ 7,560,857.97	\$ 467,837.32	\$ 3,190,830.94	\$ 2,502,483.70	\$ 35,335,055.73

\$ 22,012.63	\$ 33,761.32	\$ 28,326.33	\$ 187,037.71	\$ 4,318.73	\$ 411,759.62
34,282.37	-	167,510.09	51,202.56	-	252,995.02
-	694.42	-	14,434.18	-	18,280.77
9,395.88	-	18,675.01	9,005.94	-	102,786.42
3,910.43	-	6,693.20	34,686.92	-	71,474.71
-	79,407.36	-	-	-	79,407.36
12,994.22	-	-	131,510.52	-	419,917.44
-	-	3,500.00	-	-	7,000.00
82,595.53	113,863.10	224,704.63	427,877.83	4,318.73	1,363,621.34

95,616.50	-	-	107,797.20	-	203,413.70
4,940.63	-	8,456.52	43,825.17	-	90,304.68
-	2,269,925.23	-	-	-	2,269,925.23
97,255.72	-	-	281,732.48	-	1,918,026.29
17,771.41	-	63,557.14	83,876.32	-	234,786.07
-	-	-	-	-	1,334,353.73
215,584.26	2,269,925.23	72,013.66	517,231.17	-	6,050,809.70

3,519,963.38	4,297,536.80	391,836.58	309,872.57	2,376,443.08	19,290,494.70
-	245,768.02	-	-	-	245,768.02
(38,958.19)	633,764.82	(220,717.55)	1,935,849.37	121,721.89	8,384,361.97
3,481,005.19	5,177,069.64	171,119.03	2,245,721.94	2,498,164.97	27,920,624.69
\$ 3,779,184.98	\$ 7,560,857.97	\$ 467,837.32	\$ 3,190,830.94	\$ 2,502,483.70	\$ 35,335,055.73

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2010

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
Operating Revenue:				
380 Charges for Goods and Services	\$ 2,247,254.79	\$ 2,575,068.45	\$ 137,336.75	\$ 154,601.57
381 Revenues used as Security for Revenue Bonds	-	-	-	-
Total Operating Revenue	2,247,254.79	2,575,068.45	137,336.75	154,601.57
Operating Expenses:				
410 Personal Services	817,586.71	440,731.65	125,134.34	159,391.57
420 Other Current Expense	592,469.50	1,442,020.43	71,220.85	51,693.30
426.2 Materials (Cost of Goods Sold)	-	-	-	-
457 Depreciation	350,086.00	334,284.31	18,288.52	32,568.15
Total Operating Expenses	1,760,142.21	2,217,036.39	214,643.71	243,653.02
Operating Income (Loss)	487,112.58	358,032.06	(77,306.96)	(89,051.45)
Nonoperating Revenue (Expense):				
361 Investment Earnings	39,609.37	192,192.50	171.67	4,800.40
470 Interest Expense and Fiscal Charges	(73,969.08)	(4,126.90)	-	-
(492)366 Gain (Loss) on Disposition of Capital Assets	(234,569.60)	-	-	(6,590.32)
369.01 Other	-	65,814.93	-	-
Total Nonoperating Revenue (Expense)	(268,929.31)	253,880.53	171.67	(1,789.92)
Income (Loss) Before Transfers	218,183.27	611,912.59	(77,135.29)	(90,841.37)
330 Capital Grants	-	612,577.00	-	-
369.1 Contributions (to) from Others	-	-	7,544.24	74,434.15
391.1 Transfers In	-	-	114,671.00	65,126.00
511 Transfers Out	(98.00)	(9,238.00)	(48,371.00)	(818.00)
Net Contributions and Transfers	(98.00)	603,339.00	73,844.24	138,742.15
Change in Net Assets	218,085.27	1,215,251.59	(3,291.05)	47,900.78
Net Assets - Beginning	2,358,712.17	8,876,686.28	1,206,097.56	428,101.32
NET ASSETS - ENDING	\$ 2,576,797.44	\$ 10,091,937.87	\$ 1,202,806.51	\$ 476,002.10

Enterprise Funds

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 967,139.10	\$ -	\$ 313,295.04	\$ 2,792,755.37	\$ 26,366.83	\$ 9,213,817.90
-	678,863.74	-	-	-	678,863.74
967,139.10	678,863.74	313,295.04	2,792,755.37	26,366.83	9,892,681.64
300,186.79	-	374,704.27	1,937,613.43	-	4,155,348.76
582,579.86	401,718.69	(22,639.15)	752,431.36	68,946.03	3,940,440.87
4,831.64	-	-	-	-	4,831.64
71,242.31	88,434.87	19,953.42	220,681.87	16,513.89	1,152,053.34
958,840.60	490,153.56	372,018.54	2,910,726.66	85,459.92	9,252,674.61
8,298.50	188,710.18	(58,723.50)	(117,971.29)	(59,093.09)	640,007.03
4,222.03	19,014.40	-	34,635.83	5,777.38	300,423.58
(23,731.30)	(107,086.50)	-	(42,934.47)	-	(251,848.25)
-	-	-	-	-	(241,159.92)
-	-	-	-	-	65,814.93
(19,509.27)	(88,072.10)	-	(8,298.64)	5,777.38	(126,769.66)
(11,210.77)	100,638.08	(58,723.50)	(126,269.93)	(53,315.71)	513,237.37
-	-	-	-	-	612,577.00
50,562.50	-	-	-	1,112,481.63	1,245,022.52
92,969.06	-	-	-	64,842.00	337,608.06
(128,415.00)	(19,311.00)	(3,242.00)	-	(4,796.00)	(214,289.00)
15,116.56	(19,311.00)	(3,242.00)	-	1,172,527.63	1,980,918.58
3,905.79	81,327.08	(61,965.50)	(126,269.93)	1,119,211.92	2,494,155.95
3,477,099.40	5,095,742.56	233,084.53	2,371,991.87	1,378,953.05	25,426,468.74
\$ 3,481,005.19	\$ 5,177,069.64	\$ 171,119.03	\$ 2,245,721.94	\$ 2,498,164.97	\$ 27,920,624.69

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2010

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipt from Customers	\$ 2,262,909.63	\$ 2,575,716.50	\$ 137,336.75
Receipt from Interfund Services Provided	-	154,606.44	-
Payments to Suppliers	(590,041.26)	(1,384,969.31)	(71,578.81)
Payments to Employees	(801,083.48)	(427,143.55)	(123,729.28)
Internal Activity - Payment to Other Funds	-	-	(3,492.10)
Net Cash Provided (Used) by Operating Activities	<u>871,784.89</u>	<u>918,210.08</u>	<u>(61,463.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers In	-	-	114,671.00
Transfers Out	(98.00)	(9,238.00)	(48,371.00)
Net Cash Provided (Used) by Operating Subsidies and Transfers	<u>(98.00)</u>	<u>(9,238.00)</u>	<u>66,300.00</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(2,236,960.00)	(1,698,718.11)	-
Capital Grant	-	612,577.00	-
Principal Paid on Capital Debt	(265,509.21)	(26,861.88)	-
Proceeds of Capital Debt Issued	-	-	-
Interest Paid on Capital Debt	(77,582.50)	(1,242.61)	-
Proceeds from Sale of Assets	157,000.00	-	-
Other Receipts (Payments)	-	65,814.93	-
Net Cash (Used) by capital and related financing Activities	<u>(2,423,051.71)</u>	<u>(1,048,430.67)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earnings	39,362.91	137,882.90	157.45
Net Cash Provided by Investing Activities	<u>39,362.91</u>	<u>137,882.90</u>	<u>157.45</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,512,001.91)	(1,575.69)	4,994.01
Balances - Beginning	3,040,527.40	1,681,626.19	-
Balances- Ending	<u>\$ 1,528,525.49</u>	<u>\$ 1,680,050.50</u>	<u>\$ 4,994.01</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 487,112.58	\$ 358,032.06	\$ (77,306.96)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	350,086.00	334,284.31	18,288.52
Landfill Closure and Postclosure Costs	-	45,123.07	-
Change in Assets and Liabilities:			
Receivables	15,654.84	648.05	-
Due from Other Funds	-	154,606.44	(3,492.10)
Prepaid Expenses	-	-	-
Due to Other Funds	-	-	-
Accounts and Other Payables	2,428.24	11,928.05	(357.96)
Accrued Wages Payable	8,811.46	6,766.82	1,198.52
Accrued Leave Payable	1,715.30	3,411.75	(399.81)
Accrued Other Post Employment Benefits	5,976.47	3,409.53	606.35
Net Cash Provided (Used) by Operating Activities	<u>\$ 871,784.89</u>	<u>\$ 918,210.08</u>	<u>\$ (61,463.44)</u>
Noncash Investing, Capital and Financing Activities:			
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (391,569.60)	\$ -	\$ -
Transfer/Contribution of Assets	\$ -	\$ -	\$ 7,544.24

Enterprise Funds

Cemetery Enterprise Fund	Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 147,162.83	\$ 966,802.02	\$ 638,046.92	\$ 309,537.48	\$ 2,594,460.55	\$ 25,122.74	\$ 9,657,095.42
-	53,492.10	-	12,903.65	-	-	221,002.19
(51,255.67)	(576,976.54)	(373,935.09)	46,050.25	(622,300.94)	(69,854.75)	(3,694,862.12)
(156,335.00)	(299,359.99)	-	(365,249.38)	(1,917,253.82)	-	(4,090,154.50)
-	(46,012.69)	-	-	(95,544.91)	-	(145,049.70)
(60,427.84)	97,944.90	264,111.83	3,242.00	(40,639.12)	(44,732.01)	1,948,031.29
65,126.00	92,969.06	-	-	-	64,842.00	337,608.06
(818.00)	(128,415.00)	(19,311.00)	(3,242.00)	-	(4,796.00)	(214,289.00)
64,308.00	(35,445.94)	(19,311.00)	(3,242.00)	-	60,046.00	123,319.06
-	(23,500.00)	-	-	(13,557.45)	-	(3,972,735.56)
-	-	-	-	-	-	612,577.00
-	(122,430.00)	(74,407.36)	-	(125,643.00)	-	(614,851.45)
-	113,522.06	-	-	-	-	113,522.06
-	(24,025.12)	(107,108.57)	-	(47,323.06)	-	(257,281.86)
-	-	-	-	-	-	157,000.00
-	-	-	-	-	-	65,814.93
-	(56,433.06)	(181,515.93)	-	(186,523.51)	-	(3,895,954.88)
3,786.23	4,213.27	14,012.73	-	35,168.40	5,819.33	240,403.22
3,786.23	4,213.27	14,012.73	-	35,168.40	5,819.33	240,403.22
7,666.39	10,279.17	77,297.63	0.00	(191,994.23)	21,133.32	(1,584,201.31)
47,140.06	135,821.79	306,638.10	-	1,142,765.46	103,209.52	6,457,728.52
\$ 54,806.45	\$ 146,100.96	\$ 383,935.73	\$ 0.00	\$ 950,771.23	\$ 124,342.84	\$ 4,873,527.21
\$ (89,051.45)	\$ 8,298.50	\$ 188,710.18	\$ (58,723.50)	\$ (117,971.29)	\$ (59,093.09)	\$ 640,007.03
32,568.15	71,242.31	88,434.87	19,953.42	220,681.87	16,513.89	1,152,053.34
-	-	-	-	-	-	45,123.07
(7,438.74)	(337.08)	(40,816.82)	(3,757.56)	(198,294.82)	(1,244.09)	(235,586.22)
-	53,492.10	-	-	-	-	204,606.44
-	-	2,178.29	-	-	-	2,178.29
-	(46,012.69)	-	12,903.65	(95,544.91)	-	(128,653.95)
437.63	10,434.96	25,605.31	23,411.10	130,130.42	(908.72)	203,109.03
1,520.65	2,261.98	-	4,621.53	2,435.36	-	27,616.32
28.83	(2,726.47)	-	1,939.85	2,393.78	-	6,363.23
1,507.09	1,291.29	-	2,893.51	15,530.47	-	31,214.71
\$ (60,427.84)	\$ 97,944.90	\$ 264,111.83	\$ 3,242.00	\$ (40,639.12)	\$ (44,732.01)	\$ 1,948,031.29
\$ (6,590.32)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (398,159.92)
\$ 74,434.15	\$ 50,562.50	\$ -	\$ -	\$ -	\$ 1,112,481.63	\$ 1,245,022.52

CITY OF RAPID CITY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2010

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
ASSETS:						
Current Assets:						
101 Cash and Cash Equivalents	\$ 7,071,278.18	\$ 1,346,764.57	\$ 123,667.98	\$ 94,746.29	\$ 218,029.97	\$ 8,854,486.99
115 Accounts Receivable	530,639.00	-	-	13,145.86	-	543,784.86
151 Investments	-	-	162,398.35	-	1,455,699.50	1,618,097.85
135 Interest Receivable	7,515.14	1,370.43	-	101.72	1,541.96	10,529.25
TOTAL ASSETS	\$ 7,609,432.32	\$ 1,348,135.00	\$ 286,066.33	\$ 107,993.87	\$ 1,675,271.43	\$ 11,026,898.95
LIABILITIES:						
Current Liabilities:						
202 Accounts Payable	\$ 603,791.62	\$ 460,629.87	\$ 11,073.84	\$ 7,334.40	\$ 1,603,202.60	\$ 2,686,032.33
2xx Wages Payable	-	4,155.73	-	-	-	4,155.73
Total Current Liabilities	603,791.62	464,785.60	11,073.84	7,334.40	1,603,202.60	2,690,188.06
NET ASSETS:						
253.90 Unrestricted Net Assets	7,005,640.70	883,349.40	274,992.49	100,659.47	72,068.83	8,336,710.89
TOTAL LIABILITIES AND NET ASSETS	\$ 7,609,432.32	\$ 1,348,135.00	\$ 286,066.33	\$ 107,993.87	\$ 1,675,271.43	\$ 11,026,898.95

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
Operating Revenue:						
380 Charges for Goods and Services	\$ 6,381,555.34	\$ 1,370.00	\$ 37,815.00	\$ 154,615.34	\$ 549,538.27	\$ 7,124,893.95
Operating Expenses:						
410 Personal Services	-	86,965.34	-	-	-	86,965.34
420 Other Current Expense	5,274,752.62	394,576.74	40,418.71	155,971.17	878,772.29	6,744,491.53
Total Operating Expenses	5,274,752.62	481,542.08	40,418.71	155,971.17	878,772.29	6,831,456.87
Operating Income (Loss)	1,106,802.72	(480,172.08)	(2,603.71)	(1,355.83)	(329,234.02)	293,437.08
Nonoperating Revenue (Expense):						
361 Investment Earnings (Loss)	162,425.40	36,893.15	-	2,168.38	57,241.89	258,728.82
Change in Net Assets	1,269,228.12	(443,278.93)	(2,603.71)	812.55	(271,992.13)	552,165.90
Net Assets - Beginning	5,736,412.58	1,326,628.33	277,596.20	99,846.92	344,060.96	7,784,544.99
NET ASSETS - ENDING	\$ 7,005,640.70	\$ 883,349.40	\$ 274,992.49	\$ 100,659.47	\$ 72,068.83	\$ 8,336,710.89

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2010

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Interfund Services Provided	\$ 6,407,532.84	\$ 1,370.00	\$ 37,815.00	\$ 151,798.66	\$ 549,538.27	\$ 7,148,054.77
Payments to Employees	\$ -	\$ (85,972.39)	\$ -	\$ -	\$ -	\$ (85,972.39)
Payments for Claims & Services	\$ (5,105,982.24)	\$ (370,654.84)	\$ (40,109.96)	\$ (159,894.77)	\$ (625,168.00)	\$ (6,301,809.81)
Net Cash Provided (Used) by Operating Activities	1,301,550.60	(455,257.23)	(2,294.96)	(8,096.11)	(75,629.73)	760,272.57
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest Earnings	162,570.73	37,838.89	118.25	2,205.06	36,562.63	239,295.56
Net Cash Provided by Investing Activities	162,570.73	37,838.89	118.25	2,205.06	36,562.63	239,295.56
Net Increase (Decrease) in Cash and Cash Equivalents	1,464,121.33	(417,418.34)	(2,176.71)	(5,891.05)	(39,067.10)	999,568.13
Balances - Beginning	5,607,156.85	1,764,182.91	125,844.69	100,637.34	257,097.07	7,854,918.86
Balances- Ending	\$ 7,071,278.18	\$ 1,346,764.57	\$ 123,667.98	\$ 94,746.29	\$ 218,029.97	\$ 8,854,486.99
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 1,106,802.72	\$ (480,172.08)	\$ (2,603.71)	\$ (1,355.83)	\$ (329,234.02)	\$ 293,437.08
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:						
Accounts Receivable	25,977.50	-	-	(2,816.68)	-	23,160.82
Accounts Payables	168,770.38	23,921.90	308.75	(3,923.60)	253,604.29	442,681.72
Wages Payable	-	992.95	-	-	-	992.95
Net Cash Provided (Used) by Operating Activities	\$ 1,301,550.60	\$ (455,257.23)	\$ (2,294.96)	\$ (8,096.11)	\$ (75,629.73)	\$ 760,272.57

CITY OF RAPID CITY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Deposits Held For Others Fund	Payroll Withholding Fund	Section 125 Fund	Total
ASSETS:				
Cash and Cash Equivalents	\$ 623,851.68	\$ 295,822.10	\$ 41,600.64	\$ 961,274.42
Investments	332,459.18			332,459.18
TOTAL ASSETS	\$ 956,310.86	\$ 295,822.10	\$ 41,600.64	\$ 1,293,733.60
LIABILITIES:				
Accounts Payable	\$ -	\$ 94,878.97	\$ -	\$ 94,878.97
Due to Other Organizations	956,310.86	200,943.13	41,600.64	1,198,854.63
Total Liabilities	\$ 956,310.86	\$ 295,822.10	\$ 41,600.64	\$ 1,293,733.60

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 33 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 61,566.51	\$ 97,393.46
360 Miscellaneous Revenue:		
361 Investment Earnings	-	11.94
Total Revenue	<u>61,566.51</u>	<u>97,405.40</u>
Expenditures:		
470 Debt Service	<u>98,636.39</u>	<u>129,758.16</u>
Total Expenditures	<u>98,636.39</u>	<u>129,758.16</u>
Excess of Revenue Over (Under) Expenditures	<u>(37,069.88)</u>	<u>(32,352.76)</u>
Net Change in Fund Balances	(37,069.88)	(32,352.76)
Fund Balance - Beginning	32,355.53	32,355.53
FUND BALANCE- ENDING	<u>\$ (4,714.35)</u>	<u>\$ 2.77</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 OCCUPANCY TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
314 Occupancy Tax	\$ 1,348,337.00	\$ 1,285,843.60
360 Miscellaneous Revenue:		
361 Interest Earnings	-	3,254.97
Total Revenue	<u>1,348,337.00</u>	<u>1,289,098.57</u>
Expenditures:		
490 Other Expenditures		
492 Other Expenditures	\$ 1,348,356.67	\$ 1,291,053.26
Total Expenditures	<u>1,348,356.67</u>	<u>1,291,053.26</u>
Excess of Revenue Over (Under) Expenditures	<u>(19.67)</u>	<u>(1,954.69)</u>
Net Change in Fund Balances	(19.67)	(1,954.69)
Fund Balance - Beginning	18,335.50	18,335.50
FUND BALANCE- ENDING	<u><u>\$ 18,315.83</u></u>	<u><u>\$ 16,380.81</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN BID
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods & Services		
341 General Government	-	1,756.00
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2,976.66
363 Special Assessments	-	169,564.05
Total Revenue	-	<u>174,296.71</u>
 Expenditures:		
490 Other Expenditures		
492 Other Expenditures	<u>\$ 1,500.00</u>	<u>\$ 164,886.46</u>
Total Expenditures	<u>1,500.00</u>	<u>164,886.46</u>
 Excess of Revenue Over (Under)		
Expenditures	<u>(1,500.00)</u>	<u>9,410.25</u>
 Net Change in Fund Balances	(1,500.00)	9,410.25
 Fund Balance - Beginning	-	-
 FUND BALANCE- ENDING	<u><u>\$ (1,500.00)</u></u>	<u><u>\$ 9,410.25</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
REPAIR AND DEMOLITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
341 General Government	\$ -	4,314.00
342 Public Safety	25,000.00	1,370.00
360 Miscellaneous Revenue:		
361 Interest Earnings	-	7,832.18
363 Special Assessments	-	-
Total Revenue	<u>25,000.00</u>	<u>13,516.18</u>
Expenditures:		
420 Public Safety		
421 Police	27,035.00	15,335.50
Total Expenditures	<u>27,035.00</u>	<u>15,335.50</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,035.00)</u>	<u>(1,819.32)</u>
Net Change in Fund Balances	(2,035.00)	(1,819.32)
Fund Balance - Beginning	115,026.14	115,026.14
FUND BALANCE- ENDING	<u>\$ 112,991.14</u>	<u>\$ 113,206.82</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 EROSION/SEDIMENT CONTROL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Other-Conservation & Development	45,317.00	31,297.25
Total Revenue	<u>45,317.00</u>	<u>31,297.25</u>
Expenditures:		
460 Conservation and Development:		
463 Community Development	45,317.00	22,176.74
Total Expenditures	<u>45,317.00</u>	<u>22,176.74</u>
Excess of Revenue Over (Under) Expenditures	-	<u>9,120.51</u>
Other Financing Sources (Uses):		
391.01 Transfers In	-	69,950.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>69,950.00</u>
Net Change in Fund Balances	-	79,070.51
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 79,070.51</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 DRAINAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Other-Conservation & Development	-	45,415.09
Total Revenue	-	45,415.09
Expenditures:		
460 Conservation and Development:		
463 Community Development	-	-
Total Expenditures	-	-
Excess of Revenue Over (Under) Expenditures	-	45,415.09
Other Financing Sources (Uses):		
391.01 Transfers In	-	559,918.00
Total Other Financing Sources (Uses)	-	559,918.00
Net Change in Fund Balances	-	605,333.09
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	\$ -	\$ 605,333.09

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 67 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 7,808.73	\$ 7,748.06	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	71.52	
Total Revenue	<u>7,808.73</u>	<u>7,819.58</u>	
Expenditures:			
470 Debt Service	<u>7,808.73</u>	-	
Total Expenditures	<u>7,808.73</u>	-	
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>7,819.58</u>	
Net Change in Fund Balances	-	7,819.58	
Fund Balance - Beginning	-	-	
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 7,819.58</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 70 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 100,013.58	\$ 109,146.27
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,131.79
Total Revenue	<u>100,013.58</u>	<u>110,278.06</u>
Expenditures:		
470 Debt Service	<u>100,013.58</u>	-
Total Expenditures	<u>100,013.58</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>110,278.06</u>
Net Change in Fund Balances	-	110,278.06
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u><u>\$ -</u></u>	<u><u>\$ 110,278.06</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 68 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 6,500.92	\$ 6,364.46
360 Miscellaneous Revenue:		
361 Investment Earnings	-	145.49
Total Revenue	<u>6,500.92</u>	<u>6,509.95</u>
Expenditures:		
470 Debt Service	<u>6,500.92</u>	-
Total Expenditures	<u>6,500.92</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>6,509.95</u>
Net Change in Fund Balances	-	6,509.95
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u><u>\$ -</u></u>	<u><u>\$ 6,509.95</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 65 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ -	\$ 7,230.25	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	207.85	
Total Revenue	<u>-</u>	<u>7,438.10</u>	
Expenditures:			
470 Debt Service	9,442.33	134,546.06	
485 Capital Outlay	5,000,000.00	4,436,569.54	
Total Expenditures	<u>5,009,442.33</u>	<u>4,571,115.60</u>	
Excess of Revenue Over (Under) Expenditures	<u>(5,009,442.33)</u>	<u>(4,563,677.50)</u>	
Other Financing Sources (Uses):			
391.02 Long-term debt issued	5,000,000.00	5,028,325.73	
511 Transfers out	-	(465,586.86)	
Total Other Financing Sources (Uses)	<u>5,000,000.00</u>	<u>4,562,738.87</u>	
Net Change in Fund Balances	(9,442.33)	(938.63)	
Fund Balance - Beginning	7,192.33	7,192.33	
FUND BALANCE- ENDING	<u>\$ (2,250.00)</u>	<u>\$ 6,253.70</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 62 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 133,480.99	\$ 130,608.90
360 Miscellaneous Revenue:		
361 Investment Earnings	-	3,028.59
Total Revenue	<u>133,480.99</u>	<u>133,637.49</u>
Expenditures:		
470 Debt Service	<u>133,480.99</u>	665.45
Total Expenditures	<u>133,480.99</u>	<u>665.45</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>132,972.04</u>
Net Change in Fund Balances	-	132,972.04
Fund Balance - Beginning	68,919.35	68,919.35
FUND BALANCE- ENDING	<u><u>\$ 68,919.35</u></u>	<u><u>\$ 201,891.39</u></u>

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 61 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ 201,586.00
360 Miscellaneous Revenue:		
361 Investment Earnings	-	249.29
Total Revenue	<u>-</u>	<u>201,835.29</u>
Expenditures:		
470 Debt Service	251,921.36	249,797.28
485 Capital Outlay	315,000.00	288,280.05
Total Expenditures	<u>566,921.36</u>	<u>538,077.33</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(566,921.36)</u>	<u>(336,242.04)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	315,000.00	707,263.46
511 Transfers out	(400,000.00)	(418,983.41)
Total Other Financing Sources (Uses)	<u>(85,000.00)</u>	<u>288,280.05</u>
Net Change in Fund Balances	(651,921.36)	(47,961.99)
Fund Balance - Beginning	47,965.70	47,965.70
FUND BALANCE- ENDING	<u>\$ (603,955.66)</u>	<u>\$ 3.71</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 63 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ 43,891.31
360 Miscellaneous Revenue:		
361 Investment Earnings	-	219.40
Total Revenue	<u>-</u>	<u>44,110.71</u>
Expenditures:		
470 Debt Service	40,476.82	38,073.17
485 Capital Outlay	750,000.00	741,957.63
Total Expenditures	<u>790,476.82</u>	<u>780,030.80</u>
Excess of Revenue Over (Under) Expenditures	<u>(790,476.82)</u>	<u>(735,920.09)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	750,000.00	741,957.63
Total Other Financing Sources (Uses)	<u>750,000.00</u>	<u>741,957.63</u>
Net Change in Fund Balances	(40,476.82)	6,037.54
Fund Balance - Beginning	1,239.92	1,239.92
FUND BALANCE- ENDING	<u>\$ (39,236.90)</u>	<u>\$ 7,277.46</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 59 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 55.42	\$ -	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	29.88	
Total Revenue	55.42	29.88	
 Expenditures:			
470 Debt Service	55.42	47.68	
Total Expenditures	55.42	47.68	
 Excess of Revenue Over (Under) Expenditures	-	(17.80)	
 Net Change in Fund Balances	-	(17.80)	
 Fund Balance - Beginning	1,248.90	1,248.90	
 FUND BALANCE- ENDING	\$ 1,248.90	\$ 1,231.10	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 29 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 556.54	\$ -	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	56.12	
Total Revenue	<u>556.54</u>	<u>56.12</u>	
Expenditures:			
470 Debt Service	556.54	3,453.78	
Total Expenditures	<u>556.54</u>	<u>3,453.78</u>	
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(3,397.66)</u>	
Other Financing Sources (Uses):			
391.02 Long-term debt issued		3,020.72	
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,020.72</u>	
Net Change in Fund Balances	-	(376.94)	
Fund Balance - Beginning	2,508.40	2,508.40	
FUND BALANCE- ENDING	<u>\$ 2,508.40</u>	<u>\$ 2,131.46</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 55 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 920,913.38	\$ 610,393.50
360 Miscellaneous Revenue:		
361 Investment Earnings	-	961.88
Total Revenue	920,913.38	611,355.38
Expenditures:		
470 Debt Service	920,913.38	531,043.35
Total Expenditures	920,913.38	531,043.35
Excess of Revenue Over (Under) Expenditures	-	80,312.03
Net Change in Fund Balances	-	80,312.03
Fund Balance - Beginning	(750,325.96)	(750,325.96)
FUND BALANCE- ENDING	\$ (750,325.96)	\$ (670,013.93)

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 56 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 860,217.45	\$ 853,667.60	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	5,301.72	
Total Revenue	860,217.45	858,969.32	
Expenditures:			
470 Debt Service	860,217.45	828,079.64	
485 Capital Outlay	1,162,000.00	1,051,811.05	
Total Expenditures	2,022,217.45	1,879,890.69	
Excess of Revenue Over (Under) Expenditures	(1,162,000.00)	(1,020,921.37)	
Other Financing Sources/(Uses)			
391.01 Transfers In	102,322.10	102,322.10	
391.02 Long-term Debt Issued	1,100,000.00	1,051,811.05	
Total Other Financing Sources/(Uses)	1,202,322.10	1,154,133.15	
Net Change in Fund Balances	40,322.10	133,211.78	
Fund Balance - Beginning	(1,654,697.76)	(1,654,697.76)	
FUND BALANCE- ENDING	\$ (1,614,375.66)	\$ (1,521,485.98)	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 54 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 256,786.98	\$ 282,669.13
360 Miscellaneous Revenue:		
361 Investment Earnings	-	13.86
Total Revenue	<u>256,786.98</u>	<u>282,682.99</u>
Expenditures:		
470 Debt Service	282,669.13	266,130.79
Total Expenditures	<u>282,669.13</u>	<u>266,130.79</u>
Excess of Revenue Over (Under) Expenditures	<u>(25,882.15)</u>	16,552.20
Net Change in Fund Balances	(25,882.15)	16,552.20
Fund Balance - Beginning	9,356.65	9,356.65
FUND BALANCE- ENDING	<u><u>\$ (16,525.50)</u></u>	<u><u>\$ 25,908.85</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 44 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 974,633.70	\$ 1,032,851.47
360 Miscellaneous Revenue:		
361 Investment Earnings	-	219.61
Total Revenue	<u>974,633.70</u>	<u>1,033,071.08</u>
Expenditures:		
470 Debt Service	<u>1,032,851.47</u>	<u>1,020,280.99</u>
Total Expenditures	<u>1,032,851.47</u>	<u>1,020,280.99</u>
Excess of Revenue Over (Under) Expenditures	<u>(58,217.77)</u>	<u>12,790.09</u>
Net Change in Fund Balances	(58,217.77)	12,790.09
Fund Balance - Beginning	47,306.40	47,306.40
FUND BALANCE- ENDING	<u>\$ (10,911.37)</u>	<u>\$ 60,096.49</u>

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 46 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 717,607.33	\$ 607,246.04	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	2,453.63	
Total Revenue	<u>717,607.33</u>	<u>609,699.67</u>	
 Expenditures:			
470 Debt Service	717,607.33	728,143.80	
485 Capital Outlay	250,000.00	-	
Total Expenditures	<u>967,607.33</u>	<u>728,143.80</u>	
 Excess of Revenue Over (Under)			
Expenditures	<u>(250,000.00)</u>	<u>(118,444.13)</u>	
 Other Financing Sources (Uses):			
391.02 Long-term debt issued	250,000.00	330,790.90	
511 Transfers out	-	(330,790.90)	
Total Other Financing Sources (Uses)	<u>250,000.00</u>	<u>-</u>	
 Net Change in Fund Balances	-	(118,444.13)	
 Fund Balance - Beginning	173,686.88	173,686.88	
 FUND BALANCE- ENDING	<u>\$ 173,686.88</u>	<u>\$ 55,242.75</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 48 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>		<u>ACTUAL</u>
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 22,019.22	\$	12,946.86
360 Miscellaneous Revenue:			
361 Investment Earnings	-		11.60
Total Revenue	<u>22,019.22</u>		<u>12,958.46</u>
 Expenditures:			
470 Debt Service	22,019.22		12,727.48
Total Expenditures	<u>22,019.22</u>		<u>12,727.48</u>
 Excess of Revenue Over (Under)			
Expenditures	-		230.98
 Net Change in Fund Balances	-		230.98
 Fund Balance - Beginning	86.28		86.28
 FUND BALANCE- ENDING	<u>\$ 86.28</u>	<u>\$</u>	<u>317.26</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 19 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 110,747.80	\$ 108,118.36	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	24.82	
Total Revenue	<u>110,747.80</u>	<u>108,143.18</u>	
 Expenditures:			
470 Debt Service	<u>110,747.80</u>	<u>110,709.52</u>	
Total Expenditures	<u>110,747.80</u>	<u>110,709.52</u>	
 Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(2,566.34)</u>	
 Net Change in Fund Balances	-	(2,566.34)	
 Fund Balance - Beginning	2,571.97	2,571.97	
 FUND BALANCE- ENDING	<u>\$ 2,571.97</u>	<u>\$ 5.63</u>	

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 50 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 288,168.81	\$ 206,966.50
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,891.49
Total Revenue	<u>288,168.81</u>	<u>208,857.99</u>
Expenditures:		
470 Debt Service	288,168.81	290,721.08
485 Capital Outlay	3,750,000.00	3,720,616.79
Total Expenditures	<u>4,038,168.81</u>	<u>4,011,337.87</u>
Excess of Revenue Over (Under) Expenditures	<u>(3,750,000.00)</u>	<u>(3,802,479.88)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	3,750,000.00	4,284,744.27
511 Transfers out	(550,000.00)	(540,229.58)
Total Other Financing Sources (Uses)	<u>3,200,000.00</u>	<u>3,744,514.69</u>
Net Change in Fund Balances	(550,000.00)	(57,965.19)
Fund Balance - Beginning	142,341.63	142,341.63
FUND BALANCE- ENDING	<u>\$ (407,658.37)</u>	<u>\$ 84,376.44</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 49 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 463,598.96	\$ 456,522.99
360 Miscellaneous Revenue:		
361 Investment Earnings	-	14,499.63
Total Revenue	463,598.96	471,022.62
Expenditures:		
470 Debt Service	463,598.96	4,926.77
Total Expenditures	463,598.96	4,926.77
Excess of Revenue Over (Under) Expenditures	-	466,095.85
Net Change in Fund Balances	-	466,095.85
Fund Balance - Beginning	158,248.58	158,248.58
FUND BALANCE- ENDING	\$ 158,248.58	\$ 624,344.43

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 52 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 22,537.94	\$ 21,392.99
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,157.17
Total Revenue	<u>22,537.94</u>	<u>22,550.16</u>
Expenditures:		
470 Debt Service	22,537.94	1,002.20
Total Expenditures	<u>22,537.94</u>	<u>1,002.20</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>21,547.96</u>
Net Change in Fund Balances	-	21,547.96
Fund Balance - Beginning	43,463.14	43,463.14
FUND BALANCE- ENDING	<u>\$ 43,463.14</u>	<u>\$ 65,011.10</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 51 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 163,113.51	\$ 165,333.21	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	8.00	
Total Revenue	<u>163,113.51</u>	<u>165,341.21</u>	
Expenditures:			
470 Debt Service	165,333.21	176,555.22	
Total Expenditures	<u>165,333.21</u>	<u>176,555.22</u>	
Excess of Revenue Over (Under) Expenditures	<u>(2,219.70)</u>	<u>(11,214.01)</u>	
Net Change in Fund Balances	(2,219.70)	(11,214.01)	
Fund Balance - Beginning	15,671.25	15,671.25	
Prior Period Adjustment	(350,000.00)	(350,000.00)	
FUND BALANCE- ENDING	<u>\$ (336,548.45)</u>	<u>\$ (345,542.76)</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 53 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 88,923.96	\$ 88,183.74
360 Miscellaneous Revenue:		
361 Investment Earnings	-	38.60
Total Revenue	<u>88,923.96</u>	<u>88,222.34</u>
Expenditures:		
470 Debt Service	<u>88,923.96</u>	<u>88,819.47</u>
Total Expenditures	<u>88,923.96</u>	<u>88,819.47</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(597.13)</u>
Net Change in Fund Balances	-	(597.13)
Fund Balance - Beginning	1,957.43	1,957.43
FUND BALANCE- ENDING	<u>\$ 1,957.43</u>	<u>\$ 1,360.30</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 47 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 98,138.71	\$ 69,517.66
360 Miscellaneous Revenue:		
361 Investment Earnings	-	570.70
Total Revenue	<u>98,138.71</u>	<u>70,088.36</u>
Expenditures:		
470 Debt Service	98,138.71	175,166.06
485 Capital Outlay	3,750,000.00	3,713,628.62
Total Expenditures	<u>3,848,138.71</u>	<u>3,888,794.68</u>
Excess of Revenue Over (Under) Expenditures	<u>(3,750,000.00)</u>	<u>(3,818,706.32)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	3,750,000.00	3,790,721.58
Total Other Financing Sources (Uses)	<u>3,750,000.00</u>	<u>3,790,721.58</u>
Net Change in Fund Balances	-	(27,984.74)
Fund Balance - Beginning	28,319.61	28,319.61
FUND BALANCE- ENDING	<u>\$ 28,319.61</u>	<u>\$ 334.87</u>

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 36 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 685,860.70	\$ 679,522.51
360 Miscellaneous Revenue:		
361 Investment Earnings	-	4,485.02
Total Revenue	685,860.70	684,007.53
Expenditures:		
470 Debt Service	685,860.70	513,810.36
485 Capital Outlay	-	134,639.35
Total Expenditures	685,860.70	648,449.71
Excess of Revenue Over (Under) Expenditures	-	35,557.82
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	-	134,639.35
Total Other Financing Sources/(Uses)	-	134,639.35
Net Change in Fund Balances	-	170,197.17
Fund Balance - Beginning	190,349.26	190,349.26
FUND BALANCE- ENDING	\$ 190,349.26	\$ 360,546.43

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 38 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 298,430.35	\$ 302,083.14
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,852.07
Total Revenue	298,430.35	303,935.21
Expenditures:		
470 Debt Service	302,083.14	347,326.45
Total Expenditures	302,083.14	347,326.45
Excess of Revenue Over (Under) Expenditures	(3,652.79)	(43,391.24)
Net Change in Fund Balances	(3,652.79)	(43,391.24)
Fund Balance - Beginning	33,285.83	33,285.83
FUND BALANCE- ENDING	\$ 29,633.04	\$ (10,105.41)

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 39 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 30,683.54	\$ 30,370.94	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	330.48	
Total Revenue	<u>30,683.54</u>	<u>30,701.42</u>	
 Expenditures:			
470 Debt Service	30,683.54	33,794.56	
490 Miscellaneous Expenses	-	-	
Total Expenditures	<u>30,683.54</u>	<u>33,794.56</u>	
 Excess of Revenue Over (Under)			
Expenditures	<u>-</u>	<u>(3,093.14)</u>	
 Other Financing Uses			
391.02 Long-term Debt Issued	<u>-</u>	<u>18,281.08</u>	
 Net Change in Fund Balances	-	15,187.94	
 Fund Balance - Beginning	(1,183,263.33)	(1,183,263.33)	
 Prior Period Adjustment	350,000.00	350,000.00	
 FUND BALANCE- ENDING	<u>\$ (833,263.33)</u>	<u>\$ (818,075.39)</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 40 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 83,717.72	\$ 82,701.74	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	8.97	
Total Revenue	83,717.72	82,710.71	
 Expenditures:			
470 Debt Service	83,717.72	89,586.03	
Total Expenditures	83,717.72	89,586.03	
 Excess of Revenue Over (Under)			
Expenditures	-	(6,875.32)	
 Net Change in Fund Balances	-	(6,875.32)	
 Fund Balance - Beginning	6,877.36	6,877.36	
 FUND BALANCE- ENDING	\$ 6,877.36	\$ 2.04	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 41 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 687,346.63	\$ 730,265.85	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	12,807.88	
Total Revenue	<u>687,346.63</u>	<u>743,073.73</u>	
Expenditures:			
470 Debt Service	<u>687,346.63</u>	<u>510,322.76</u>	
Total Expenditures	<u>687,346.63</u>	<u>510,322.76</u>	
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>232,750.97</u>	
Net Change in Fund Balances	-	232,750.97	
Fund Balance - Beginning	(531,874.08)	(531,874.08)	
FUND BALANCE- ENDING	<u>\$ (531,874.08)</u>	<u>\$ (299,123.11)</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 42 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,628,632.90	\$ 589,179.43
360 Miscellaneous Revenue:		
361 Investment Earnings	-	5,530.56
Total Revenue	1,628,632.90	594,709.99
Expenditures:		
470 Debt Service	1,628,632.90	309,879.99
Total Expenditures	1,628,632.90	309,879.99
Excess of Revenue Over (Under) Expenditures	-	284,830.00
Net Change in Fund Balances	-	284,830.00
Fund Balance - Beginning	(4,656,144.15)	(4,656,144.15)
Prior Period Adjustment	730,952.47	730,952.47
FUND BALANCE- ENDING	\$ (3,925,191.68)	\$ (3,640,361.68)

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 43 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 126,872.37	\$ 1,158,309.16	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	65,588.22	
Total Revenue	<u>126,872.37</u>	<u>1,223,897.38</u>	
Expenditures:			
470 Debt Service	<u>4,038,133.81</u>	<u>3,559,665.55</u>	
Total Expenditures	<u>4,038,133.81</u>	<u>3,559,665.55</u>	
Excess of Revenue Over (Under) Expenditures	<u>(3,911,261.44)</u>	<u>(2,335,768.17)</u>	
Other Financing Uses			
391.02 Long-term Debt Issued	-	703,958.00	
	<u>-</u>	<u>703,958.00</u>	
Net Change in Fund Balances	(3,911,261.44)	(1,631,810.17)	
Fund Balance - Beginning	1,989,277.26	1,989,277.26	
FUND BALANCE- ENDING	<u>\$ (1,921,984.18)</u>	<u>\$ 357,467.09</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 526,240.00	\$ 356,874.46
340 Charges for Goods and Services:		
342 General Government	-	-
349 Conservation and Development	-	35,911.73
Total Revenue	526,240.00	392,786.19
Expenditures:		
460 Community Development:		
463 Community Development	538,487.59	392,786.19
Total Expenditures	538,487.59	392,786.19
Excess of Revenue Over (Under) Expenditures	(12,247.59)	-
Net Change in Fund Balances	(12,247.59)	-
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	\$ (12,247.59)	\$ -

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 ARRA COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 132,734.00	\$ 104,508.79
340 Charges for Goods and Services:		
342 General Government	-	-
349 Conservation and Development	-	-
Total Revenue	<u>132,734.00</u>	<u>104,508.79</u>
Expenditures:		
460 Community Development:		
463 Community Development	<u>132,734.00</u>	<u>104,508.79</u>
Total Expenditures	<u>132,734.00</u>	<u>104,508.79</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
REHABILITATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Conservation and Development	\$ -	\$ 45,579.90
360 Miscellaneous Revenue:		
361 Interest Earnings	-	6.18
Total Revenue	<u>-</u>	<u>45,586.08</u>
Expenditures:		
460 Conservation & Development		
463 Community Development	3,100.00	65,851.31
Total Expenditures	<u>3,100.00</u>	<u>65,851.31</u>
Excess of Revenue Over (Under) Expenditures	<u>(3,100.00)</u>	<u>(20,265.23)</u>
Net Change in Fund Balances	(3,100.00)	(20,265.23)
Fund Balance - Beginning	78,149.60	78,149.60
FUND BALANCE- ENDING	<u>\$ 75,049.60</u>	<u>\$ 57,884.37</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
EDUCATION LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
341 General Government	\$ 30,000.00	\$ 9,919.32
360 Miscellaneous Revenue		
367 Contributions & Donations	-	-
Total Revenue	<u>30,000.00</u>	<u>9,919.32</u>
Expenditures:		
490 Miscellaneous		
492 Other Expenditures	<u>30,000.00</u>	<u>7,936.28</u>
Total Expenditures	<u>30,000.00</u>	<u>7,936.28</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>1,983.04</u>
Net Change in Fund Balances	-	1,983.04
Fund Balance - Beginning	11,152.73	11,152.73
FUND BALANCE- ENDING	<u><u>\$ 11,152.73</u></u>	<u><u>\$ 13,135.77</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
348 Cemetery	\$ 10,000.00	\$ 3,360.00
360 Miscellaneous Revenue:		
361 Interest Earnings	-	-
Total Revenue	<u>10,000.00</u>	<u>3,360.00</u>
Expenditures:		
437 Cemetery	900.00	45.00
Total Expenditures	<u>900.00</u>	<u>45.00</u>
Excess of Revenue Over (Under)		
Expenditures	<u>9,100.00</u>	<u>3,315.00</u>
Other Financing Sources (Uses):		
511 Transfers Out	<u>(9,100.00)</u>	<u>(9,100.00)</u>
Total Other Financing Sources (Uses)	<u>(9,100.00)</u>	<u>(9,100.00)</u>
Net Change in Fund Balances	-	(5,785.00)
Fund Balance - Beginning	60,635.45	60,635.45
FUND BALANCE- ENDING	<u>\$ 60,635.45</u>	<u>\$ 54,850.45</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 RETIRED SENIOR VOLUNTEER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grants	\$ 115,221.00	\$ 61,808.55
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	38,548.76
Total Revenue	<u>115,221.00</u>	<u>100,357.31</u>
Expenditures:		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>115,221.00</u>	<u>105,672.92</u>
Total Expenditures	<u>115,221.00</u>	<u>105,672.92</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(5,315.61)</u>
 Net Change in Fund Balances	 -	 (5,315.61)
 Fund Balance - Beginning	 10,029.80	 10,029.80
 FUND BALANCE- ENDING	 <u>\$ 10,029.80</u>	 <u>\$ 4,714.19</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 35 FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 91,188.45	\$ 85,651.54
360 Miscellaneous Revenue:		
361 Investment Earnings	-	832.27
Total Revenue	91,188.45	86,483.81
 Expenditures:		
470 Debt Service	91,188.45	93,360.45
485 Capital Outlay	150,000.00	89,770.63
Total Expenditures	241,188.45	183,131.08
 Excess of Revenue Over (Under)		
Expenditures	(150,000.00)	(96,647.27)
 Other Financing Uses		
391.02 Long-term Debt Issued	150,000.00	93,395.64
	150,000.00	93,395.64
 Net Change in Fund Balances	-	(3,251.63)
Fund Balance - Beginning	29,200.45	29,200.45
 FUND BALANCE- ENDING	\$ 29,200.45	\$ 25,948.82

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
LIBRARY BOARD FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
350 Fine and Forfeitures		
354 Library	\$ 107,085.00	\$ 111,987.06
360 Miscellaneous Revenue:		
361 Investment Earnings	-	5.60
Total Revenue	<u>107,085.00</u>	<u>111,992.66</u>
Expenditures:		
450 Culture and Recreation		
455 Library	222,362.66	172,956.43
Total Expenditures	<u>222,362.66</u>	<u>172,956.43</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(115,277.66)</u>	<u>(60,963.77)</u>
Net Change in Fund Balances	(115,277.66)	(60,963.77)
Fund Balance - Beginning	131,324.65	131,324.65
FUND BALANCE- ENDING	<u>\$ 16,046.99</u>	<u>\$ 70,360.88</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	2010
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	\$187,793,015
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	13,366,775
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	50,300,225
Total governmental activities net assets	177,788,216	189,442,057	198,073,019	212,236,156	232,856,536	242,105,301	235,265,409	232,681,834	237,877,551	251,460,016
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	\$249,503,294
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	26,206,565
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	31,233,749
Total business-type activities net assets	143,966,557	154,921,542	165,944,750	174,552,659	189,651,503	208,243,613	243,017,856	276,947,197	292,755,880	306,943,608
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	437,296,310
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	39,573,340
Unrestricted	37,488,974	46,921,630	39,766,701	59,468,656	65,121,989	69,959,462	74,557,362	73,917,563	80,609,891	81,533,974
Total primary government net assets	\$321,754,773	\$344,363,599	\$364,017,769	\$386,788,815	\$422,508,039	\$450,348,914	\$478,283,265	\$509,629,032	\$530,633,431	\$558,403,624

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

Expenses	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 3,161,136
Public Safety	14,169,612	16,278,315	17,202,666	17,561,359	18,622,564	18,602,753	19,622,564	20,163,551	20,431,619	20,489,978
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	18,573,254
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	3,118,121
Culture & Recreation	1,211,002	5,478,909	6,688,028	7,593,391	8,259,883	8,811,502	9,154,160	10,370,786	9,626,459	9,920,803
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	3,754,414
Interest on Long-Term Debt	2,370,703	2,557,977	1,769,427	1,401,019	1,305,823	2,762,963	3,206,898	3,350,937	3,358,742	5,072,390
Miscellaneous Expenditures	304,379	1,161,500	363	841,713	452,179	3,406,407	1,783,573	1,290,526	1,239,052	1,482,151
Total governmental activities expenses	34,441,891	37,944,266	45,303,679	46,463,925	49,210,870	56,050,511	58,035,610	61,943,801	62,063,414	65,572,246
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	9,871,094
Water Reclamation	3,103,449	3,692,013	4,333,321	5,094,496	5,524,521	6,329,099	6,712,680	6,391,356	6,314,009	6,954,714
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	5,495,507
Solid Waste Disposal	1,330,223	1,187,303	1,180,332	1,531,212	1,473,722	1,562,615	1,809,113	1,809,113	2,422,426	2,216,215
Solid Waste MRF	2,250,805	2,126,261	2,045,115	2,692,254	2,848,085	2,678,829	2,565,322	3,837,241	2,875,918	2,820,258
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	10,165,664
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	1,825,482
Executive Golf Course	294,414	388,184	334,131	256,268	265,590	269,630	229,342	197,005	226,376	213,419
Cemetery	197,382	265,236	241,376	257,614	247,501	241,786	239,109	239,109	248,174	241,980
Golf Course	714,682	640,032	917,716	786,569	767,098	781,217	796,172	1,005,330	1,020,908	980,111
Parking Lot & Area	451,355	531,941	475,762	417,396	421,837	496,220	468,009	551,039	577,254	597,240
Energy Plant	224,255	256,976	244,835	247,386	286,218	339,298	301,869	335,356	243,797	367,807
Ambulance	-	-	1,483,188	1,885,619	1,877,522	1,918,699	2,165,208	2,609,798	2,596,521	2,931,836
Transportation Terminal	70,244	72,038	73,520	66,387	74,275	84,016	86,237	83,855	100,956	85,460
Total business-type activities	22,911,290	25,442,174	27,470,989	30,475,103	32,106,608	34,923,283	35,187,690	38,945,268	40,971,369	44,566,788
Total primary government expense	\$ 57,353,181	\$ 63,386,440	\$ 72,776,668	\$ 76,939,028	\$ 81,317,678	\$ 90,973,794	\$ 93,223,300	\$ 100,889,069	\$ 103,024,783	\$ 110,139,034
Program Revenues										
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	\$ 874,020
Public Safety	624,170	703,490	871,023	775,487	819,212	1,034,516	950,463	974,646	701,098	733,085
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	125,695
Health & Welfare	313,938	199,895	250,525	223,463	233,081	283,795	285,404	315,629	297,825	344,638
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	1,715,176
Conservation & Development	100,000	204,425	31,103	172,473	139,406	72,701	1,888,132	1,445,312	1,069,334	942,275
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	4,209,762	2,430,571	2,140,864	2,004,095	2,063,813	2,785,807	1,944,336	1,523,283	2,301,631	158,204
Capital Grants & Contributions	95,000	3,917,163	9,150,725	9,150,725	9,709,472	1,566,051	6,231,806	6,855,041	3,151,826	2,294,927
Total governmental activities	7,451,838	7,110,194	12,625,967	16,768,256	19,501,292	11,125,815	15,872,221	15,317,805	11,416,769	10,963,725

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	2010
Business-type activities										
Water	6,886,301	8,181,214	8,633,047	8,159,633	9,413,770	10,041,912	10,996,410	9,679,252	11,846,358	11,476,767
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	9,509,087
Airport	2,817,732	3,289,565	3,323,929	3,541,939	4,053,585	3,835,585	4,288,879	4,917,350	4,689,699	5,160,055
Solid Waste Disposal	1,775,182	1,694,972	1,678,636	1,532,689	1,546,491	1,814,979	2,989,536	2,325,371	2,574,165	2,875,068
Solid Waste MRF	2,342,340	2,277,296	2,754,032	3,238,640	3,413,875	3,354,528	3,110,224	3,610,916	3,149,582	3,364,464
Civic Center	3,321,799	2,809,576	2,995,192	3,140,706	3,525,052	3,082,211	3,174,853	4,206,845	5,830,860	5,403,176
Solid Waste Collection	1,200,025	1,526,468	1,508,526	1,571,225	1,685,053	1,944,670	1,944,670	2,195,863	2,276,553	2,247,255
Executive Golf Course	204,346	176,734	156,778	126,587	120,435	131,362	137,418	149,257	139,366	137,337
Cemetery	136,275	127,601	140,694	133,244	156,458	165,945	149,899	156,502	133,273	154,602
Golf Course	727,101	791,025	894,044	787,790	731,191	777,777	793,205	1,078,771	992,481	992,481
Parking Lot & Area	520,281	522,746	591,889	566,165	528,082	532,415	520,044	627,201	664,490	678,864
Energy Plant	198,631	228,880	198,671	201,643	328,026	303,371	260,995	288,592	284,478	313,295
Ambulance	29,544	30,083	1,656,598	2,310,001	2,353,240	2,337,896	2,603,158	3,007,532	2,677,049	2,792,755
Transportation Terminal			28,867	32,570	33,387	30,494	28,111	35,093	29,854	26,367
Operating 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	7,233,195
Capital Grants & Contributions	25,185,836	30,388,949	31,991,253	35,507,560	43,374,638	45,491,823	44,657,253	46,180,865	45,810,164	52,039,426
Total business-type activities	\$ 32,637,674	\$ 37,499,143	\$ 44,617,220	\$ 52,275,825	\$ 62,875,930	\$ 56,617,638	\$ 60,529,474	\$ 61,498,670	\$ 57,226,924	\$ 63,003,152
Net (Expense) Revenue	(26,990,063)	(30,834,072)	(32,679,712)	(29,695,669)	(29,709,578)	(44,924,696)	(42,163,389)	(46,625,996)	(50,636,656)	(54,608,521)
Governmental 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	7,472,638
Business-type activities	\$ (24,715,507)	\$ (25,887,297)	\$ (28,159,448)	\$ (24,663,203)	\$ (18,441,748)	\$ (34,356,156)	\$ (32,693,826)	\$ (39,397,859)	\$ (45,797,861)	\$ (47,135,883)
Total primary government net expense	\$ (22,440,961)	\$ (20,940,522)	\$ (23,639,184)	\$ (19,630,737)	\$ (7,173,918)	\$ (23,787,616)	\$ (23,224,362)	\$ (32,162,262)	\$ (40,959,066)	\$ (39,663,245)
General Revenue and other changes net assets	\$ 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	\$ 21,530,507
Governmental activities:										
Taxes:										
Property taxes	27,774,001	27,774,001	32,484,575	32,484,575	35,652,430	38,875,471	40,802,422	43,203,611	42,203,906	43,324,949
Sales taxes	352,647	1,505,890	570,792	252,291	760,324	1,791,451	266,596	2,139,282	2,371,249	2,183,769
Other taxes	823,628	1,019,875	881,196	1,013,404	886,271	1,101,198	1,147,108	1,137,198	1,094,884	1,207,122
State shared revenue	231,365	222,960	232,901	241,368	241,891	246,342	284,357	241,900	250,900	256,456
County shared revenue	54,501	245,602	135,654	60,571	40,574	47,801	85,546	-	-	-
Non-program grants & contributions	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	2,093,239
Unrestricted investment earnings	1,329,151	1,014,342	328,199	229,443	154,137	163,020	196,168	185,734	190,687	159,242
Miscellaneous revenue	(805,085)	(93,316)	(93,316)	115,937	569,595	(248,867)	5,348	(24,180)	(361,924)	(37,131)
Gain (loss) on disposal of capital assets	41,648,292	42,487,913	(1,058,976)	(773,944)	(772,400)	(4,520,224)	(20,937,446)	(21,394,867)	(9,904,259)	(3,258,120)
Transfers			43,183,244	43,858,819	49,957,349	54,173,465	41,714,291	44,036,697	55,321,001	67,460,033
Total governmental activities	\$ 45,227,397	\$ 48,496,024	\$ 49,401,494	\$ 47,434,262	\$ 53,852,154	\$ 62,197,037	\$ 67,227,542	\$ 70,790,442	\$ 69,440,888	\$ 75,682,337
Business-type activities	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	3,217,015
Gross Receipts Tax	114,279	419,215	180,569	152,877	293,088	169,500	227,308	253,034	243,812	204,896
Other taxes	659,352	804,233	369,269	375,062	358,223	691,989	1,139,903	1,541,453	606,069	1,329,499
Unrestricted investment earnings		1,402,208	2,410,139	(68,300)	191,356	13,892	663,290	663,290	441,478	668,583
Miscellaneous revenue			(132,151)	(132,151)	(29,836)	(6,785)	411,449	(81,428)	(136,011)	(455,809)
Gain (loss) on disposal of capital assets	805,085	1,241,262	1,058,976	773,944	772,400	4,520,225	20,937,446	21,394,867	9,904,259	3,258,120
Transfers	3,579,105	6,008,111	6,218,250	3,575,443	3,894,805	8,023,572	25,513,251	26,693,745	14,119,887	8,222,304
Total business-type activities	\$ 45,227,397	\$ 48,496,024	\$ 49,401,494	\$ 47,434,262	\$ 53,852,154	\$ 62,197,037	\$ 67,227,542	\$ 70,790,442	\$ 69,440,888	\$ 75,682,337
Total primary government	\$ 20,511,890	\$ 22,608,727	\$ 21,242,046	\$ 22,771,059	\$ 35,410,406	\$ 27,840,881	\$ 34,533,716	\$ 31,400,043	\$ 23,643,029	\$ 28,546,455
Change In Net Assets	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	12,851,512
Government activities	5,863,651	10,954,886	10,738,514	8,607,909	15,162,635	18,582,112	34,982,814	33,929,342	18,968,682	15,694,942
Business-type activities	8,794,588	658,955	(2,234,982)	5,555,241	5,085,136	(9,333,343)	(39,961,728)	(37,458,641)	(14,284,336)	(12,843,430)
Total primary government	\$ 14,658,239	\$ 11,653,841	\$ 8,503,532	\$ 14,163,150	\$ 20,247,771	\$ 9,248,769	\$ (449,098)	\$ (2,529,299)	\$ 4,684,346	\$ 12,851,512

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

	Fiscal Year									
	2001	2002*	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 963	\$ 40	\$ 509	\$ 751	\$ 1,072	\$ 920	\$ 685	\$ 2,351	\$ 2,067	\$ 2,232
Unreserved	16,259	17,840	17,815	17,409	17,470	16,792	16,214	15,190	11,998	10,486
Total General Fund	<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>	<u>\$12,718</u>
All Other Governmental Funds										
Reserved	\$19,786	\$10,158	\$8,449	\$9,441	\$55,241	\$48,454	\$46,632	\$19,134	\$23,288	\$20,575
Unreserved, reported in										
Special Revenue	30,376	31,486	22,269	19,069	22,985	28,999	22,410	30,825	31,012	32,829
Debt Service	-	-	-	-	-	-	-	(3,960)	(8,776)	(7,305)
Permanent Funds	-	-	-	-	-	-	-	68	61	55
Total All Other Governmental Funds	<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>	<u>\$46,154</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$ 36,341	\$ 37,021	\$ 41,482	\$ 42,391	\$ 47,078	\$ 52,279	\$ 56,278	\$ 60,751	\$ 62,569	\$ 66,828
Licenses & Permits	1,345	1,440	1,414	1,874	2,048	2,019	2,362	1,913	1,506	1,278
Intergovernmental	3,278	3,591	3,293	3,259	3,139	4,134	5,134	4,721	5,147	7,773
Charges for Services	1,805	3,098	4,963	3,500	5,616	4,503	5,127	4,367	4,247	3,539
Fines and Forfeits	173	157	190	240	158	231	207	167	152	134
Miscellaneous	6,153	4,740	1,837	1,703	1,866	4,792	5,594	3,658	2,628	2,567
Total Revenues	49,095	50,047	53,179	52,967	59,905	67,958	74,702	75,577	76,249	82,119
Expenditures:										
General Government	1,764	1,814	1,914	2,092	2,283	2,215	2,719	2,851	2,642	2,735
Public Safety	14,534	15,219	15,884	16,531	16,938	18,022	19,591	19,419	20,269	20,084
Public Works	13,131	4,181	7,159	7,267	5,782	6,306	15,251	7,380	7,367	7,740
Health & Welfare	1,592	2,970	1,515	1,639	1,868	2,007	2,827	2,362	2,447	2,492
Culture & Recreation	14,194	5,055	5,507	6,498	6,988	7,497	13,476	9,138	8,457	8,524
Development	5,468	2,460	2,518	1,397	4,252	4,007	4,558	4,717	4,742	3,787
Debt Service										
Interest	2,669	2,567	1,830	1,463	1,376	2,842	2,865	3,351	3,359	5,072
Principal	5,111	5,342	6,716	5,392	5,987	7,264	9,366	10,350	12,010	15,921
Capital Outlay	-	16,172	20,270	11,982	10,861	11,479	2,194	35,068	27,933	30,164
Miscellaneous	6	1,152	-	842	452	3,406	1,693	1,291	1,239	1,482
Total Expenditures	58,469	56,932	63,313	55,103	56,787	65,045	74,540	95,926	90,466	98,002
Excess of Revenue Over (Under) Expenditures	(9,374)	(6,885)	(10,134)	(2,136)	3,118	2,913	161	(20,348)	(14,216)	(15,882)
Other Financing Sources (Uses)										
Transfers In	14,089	12,564	3,027	1,060	1,539	1,550	1,107	2,169	873	1,396
Transfers Out	(14,894)	(13,805)	(4,086)	(1,834)	(2,011)	(6,070)	(21,306)	(10,528)	(10,777)	(4,654)
Payment to Bond Agent	-	(13,424)	-	-	-	-	-	-	-	-
Proceeds for Borrowing	14,405	13,314	-	160	46,824	-	10,920	6,355	16,958	17,610
Sales of Property	123	377	20	378	629	4	86	20	53	22
Total Other Financing Sources (Uses)	13,723	(974)	(1,039)	(236)	46,981	(4,516)	(9,194)	(1,983)	7,107	14,374
Net Change in Fund Balance	4,349	(7,859)	(11,173)	(2,372)	50,099	(1,603)	(9,032)	(22,332)	(7,110)	(1,509)
Debt Service as a percentage of Noncapital Expenditures	13.3%	19.4%	19.9%	15.9%	16.0%	18.9%	16.9%	22.5%	24.6%	30.9%

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			LIQUOR TAX REVERSION	AMUSEMENT TAX	COUNTY ROAD TAX	GROSS RECEIPTS TAX	TOTAL
				FRANCHISE TAX	FRANCHISE TAX	TAX					
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	
2010	21,635	43,325	-	94	374	-	-	256	1,868	67,552	

* 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	
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
2010	4,676,521,855	5,000,023,366	(1)	(1)	4,676,521,855	5,000,023,366	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>		<u>Assessed Property Value</u>		
	No. of Permits	Value	No. of Permits	Value	Commercial	Residential	Nontaxable (1)
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
2010	33	29,401,549	182	33,430,324	1,897,935,604	2,778,586,251	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
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	3.03	-	-	3.03	13.69	4.90	21.61
2010	3.00	-	-	3.00	13.94	4.84	21.79

CITY OF RAPID CITY
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 DECEMBER 31, 2010

Taxpayer	Type of Business	2010 Assessed Valuation	Percent of Total Assessed Valuation
SM Rushmore Mall	Shopping Mall	\$ 42,221,617	0.98%
Midland Rushmore LLC	Rushmore Crossing	\$ 17,129,425	0.40%
Rushmore Plaza	Holiday Inn Motel	\$ 14,009,696	0.32%
Walmart Real Estate	Discount Retail	\$ 13,682,072	0.32%
Stoney Creek Associates	Stoney Creek South	\$ 13,498,272	0.31%
Regency Rapid City	Ramada Inn Convention Center	\$ 11,161,531	0.26%
Black Hills Surgery Center	Medical Center	\$ 10,974,055	0.25%
Perkins Delaware	Shopping Center	\$ 10,709,475	0.25%
Hetherington Flormann	Medical Center	\$ 10,402,988	0.24%
Stag III Rapid City	Industrial Park	\$ 10,161,108	0.23%
		\$ 153,950,239	3.56%

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

Fiscal Year	Total Tax Levy (2)	Current Tax Collections (2)	Percent of Levy Collected (2)	Delinquent Tax Collections (2)	Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy (2)	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes To Tax Levy (2)
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)
2010	12,610,519	12,459,769	98.8%	377,817	12,837,586	101.8%	(1)	(1)

(1) Outstanding delinquent taxes are not known and are assumed to be negligible.

(2) Excludes Tax Increment Financing District property taxes.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
A. Agriculture, Forestry	\$ 11,692	\$ 12,181	\$ 14,167	\$ 15,255	\$ 16,533	\$ 17,372	\$ 20,029	\$ 20,147	\$ 19,366	\$ 18,334
B. Mining	11,881	12,365	13,074	12,251	14,518	17,175	12,219	18,040	20,913	5,028
C. Construction	5,148	4,723	3,469	3,137	3,096	2,866	2,656	3,312	2,675	44,752
D. Manufacturing	42,884	59,508	57,201	56,610	61,712	74,599	63,597	68,139	41,513	46,057
E. Transportation & Utility	149,406	185,955	170,370	189,469	180,379	197,472	200,465	208,102	211,201	218,423
F. Wholesale Trade	125,566	130,912	124,906	127,620	93,439	99,669	101,264	99,249	83,720	110,130
G. Retail Trade	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	1,310,694
H. Finance, Insurance	20,608	23,656	30,653	39,245	42,497	40,047	37,418	31,904	28,554	26,002
I. Services	276,043	278,365	297,209	307,191	321,978	347,832	367,140	396,052	378,986	399,596
J. Public Administration	43	53	47	-	-	-	-	-	-	30
K. Other	-	-	-	-	42	63	-	-	-	52
Total	\$1,556,080	\$1,604,667	\$1,725,394	\$1,851,674	\$1,952,933	\$1,938,491	\$2,114,221	\$2,180,954	\$2,122,860	\$2,179,098

Source: SD Department of Revenue

CITY OF RAPID CITY
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2010 (UNAUDITED)

<u>ASSESSED VALUE OF TAXABLE PROPERTY (1)</u>	<u>\$ 4,676,521,855</u>
DEBT LIMITS - General Purposes	
Debt Limitation - 5% of Assessed Value	233,826,093
Utilities (Water & Sewer) - 10% of Assessed Value	467,652,186
Streets, Railways or Electric - 8% of Assessed Value	<u>374,121,748</u>
 Total Debt Limit	 <u><u>1,075,600,027</u></u>
 DEBT APPLICABLE TO LIMITATION *	
General Purposes (5%)	
Sales Tax Bonds	35,540,000
Gross Receipts Bonds	5,120,000
Parking Revenue Bonds	2,360,000
Airport Revenue Bonds	17,945,000
Airport Certificate of Participation	595,000
Tax Increment Financing	34,380,529
SRF Loans	13,371,055
Capital Leases	<u>3,882,541</u>
	<u>113,194,125</u>
 Utilities (10%) *	
Outstanding Debt	-
 Streets, Railways or Electric (8%)	
Outstanding Debt	<u>-</u>
 Total Applicable Debt	 113,194,125
 LONG-TERM OBLIGATIONS NOT SUBJECT TO LIMITATION	 <u>34,380,529</u>
 TOTAL DEBT AND LONG TERM OBLIGATIONS	 <u><u>\$ 78,813,596</u></u>
 * The following debt is not included in the schedule:	
Water Revenue Bonds serviced by Water Enterprise Fund Debt	\$ 45,100,000
Unamortized deferred premiums on debt	266,147
	<u><u>\$ 45,366,147</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$532,797	\$634,358	\$670,608	\$740,673	\$790,871	\$857,305	\$904,924	\$994,605	\$1,171,917	\$1,075,600
Total net debt applicable to limit	55,984	55,984	55,000	49,509	87,400	79,719	80,743	77,944	122,914	78,814
Legal debt margin	\$476,813	\$578,374	\$615,608	\$691,164	\$703,471	\$777,586	\$824,181	\$916,661	\$1,049,003	\$996,786
Total net debt applicable to limit as percentage of debt limit	10.51%	8.83%	8.20%	6.68%	11.05%	9.30%	8.92%	7.84%	10.49%	7.33%

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		Coverage	
				Principal	Interest		
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	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
2010	26,824,773	22,918,556	3,906,217	741,237	2,740,194	3,481,431	1.12

(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 (3)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (1)</u>
2001	60,318	(4)	27,467	34.8	13,033	3.1%
2002	61,435	(4)	28,580	34.8	12,832	2.9%
2003	62,552	(4)	29,599	34.8	12,657	3.7%
2004	64,021	(4)	31,783	34.8	12,914	3.3%
2005	65,891	(4)	33,165	34.8	12,932	3.7%
2006	67,447	(4)	35,038	34.8	13,018	3.1%
2007	69,242	(4)	36,718	34.8	12,773	2.9%
2008	70,092	(4)	37,621	34.8	13,116	3.0%
2009	70,004	(4)	N/A	34.8	13,340	4.7%
2010	67,956	(4)	33,906	34.8	13,369	5.2%

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

(2) Rapid City Independent School District

(3) Official 2000 Census

(4) Estimate provided by the City Transportation Planner

N/A Not available

CITY OF RAPID CITY
 PRINCIPAL EMPLOYERS (UNAUDITED)
 DECEMBER 31, 2010

Employer	Employees	Rank	Percentage of Employed Work Force
Ellsworth AFB	4,503	1	7.28%
Rapid City Regional Hospital	3,281	2	5.30%
Federal Government	2,905	3	4.69%
Black Hills Corporation	2,546	4	4.11%
City of Rapid City	1,906	5	3.08%
Rapid City Area School District	1,684	6	2.72%
State of South Dakota	1,125	7	1.82%
SD Army National Guard	1,013	8	1.64%
Walmart/Sam's Club	888	9	1.43%
Pennington County	639	10	1.03%
	20,490		33.10%

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	2010
General Government	28	28	28	29	29	30	30	40	44	46
Public Safety										
Police	123	123	128	128	129	131	131	130	134	138
Fire	111	99	111	112	106	106	106	105	105	105
Code Enforcement	3	3	3	3	3	3	3	4	3	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	52
Public Works Administration	23	23	24	24	24	25	26	26	27	27
Water Operations	36	36	36	36	36	36	36	36	37	37
Wastewater Operations	24	25	27	27	27	28	28	28	29	29
Solid Waste Collection	19	19	12	12	12	12	12	12	14	14
Solid Waste Disposal	7	7	7	7	7	8	8	8	8	8
Waste Municipal Recycling	11	13	23	23	23	24	24	24	24	24
Health and Welfare										
Ambulance	0	0	17	17	23	24	30	30	30	30
Public Transit	19	19	19	19	20	23	23	25	27	27
Air Quality	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation	3	3	4	4	3	3	3	3	3	3
Ice Arena	0	3	4	4	4	4	4	5	4	4
Golf Course	6	6	6	6	6	7	6	6	6	6
Parks	17	19	20	20	20	20	20	22	21	21
Swimming Pools	2	2	2	6	6	6	6	6	7	7
Cemetery	2	2	3	3	3	3	3	3	3	3
Library	22	28	33	33	33	33	33	34	39	39
Parks and Recreation Administration	0	0	0	2	2	2	2	3	3	3
Civic Center	32	33	33	33	33	33	33	36	36	36
Energy Plant	6	7	7	7	7	7	7	7	5	5
RSVP	2	2	2	2	2	2	2	2	2	2
Airport Operations	17	17	17	17	18	19	20	23	23	23
Conservation and Development										
GIS Mapping	4	4	4	4	4	4	4	3	3	3
Growth Management	29	29	29	29	29	30	33	33	32	30
Transportation Planning	4	4	4	4	4	4	4	5	5	4
Community Development	2	2	2	2	2	2	2	2	3	3
Parking Lot and Area	4	4	4	4	4	4	4	4	4	-
	602	613	662	670	672	685	695	714	732	732

Based on Permanent Budgeted Employees

CITY OF RAPID CITY
MISCELLANEOUS STATISTICS (UNAUDITED)
DECEMBER 31, 2010

Date of Incorporation - February 1883

Form of Government - Mayor/Council

Area - Square Miles - 55.01

Miles of Streets - 386.87

Number of Street Lights - 4557

Fire Protection

Number of Stations - 7

Number of Firefighters and Officers (including EMS) - 128

Number of Fire Hydrants - 4,056

Police Protection

Number of Stations - 1

Number of Police Officers - 108

Education (Elementary Only)

Attendance Centers - 16

Number of Students - 6,347

Municipal Water Department

Number of Residential Consumers - 21,596

Average Residential Monthly Consumption - 5,012 gallons

Miles of Water Mains - 419.04

Sewers

Miles of Sanitary Sewer - 326.80

Miles of Storm Sewer - 130.71

Building Permits Issued (including remodeling and repair) - 2,915

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 - \$37,528,561.15

CITY OF RAPID CITY
SURETY BONDS (UNAUDITED)
DECEMBER 31, 2010

Finance Officer

Bonding Company:	Auto-Owners Insurance Company
Bond Number:	05701077423651
Expiration Date:	Continued until cancelled

Coverage

All employees	\$ 5,000
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Excess Coverage:

Finance Officer	\$ 250,000
Assistant Finance Officer	\$ 120,000
Data Processing Director	\$ 120,000
Civic Center Manager	\$ 95,000
Civic Center Business Manager	\$ 95,000
Civic Center Administrative Secretary	\$ 95,000
Civic Center Concessions Manager	\$ 45,000
Accounting Clerk	\$ 5,000
Accounting Clerk	\$ 5,000

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SINGLE AUDIT SECTION



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

Sam Kooiker, Mayor
and Common Council
City of Rapid City
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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 28, 2011. 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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as Finding 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as Finding 2010-2.

The Honorable Mayor and Common Council
Page Two

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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



KETEL THORSTENSON, LLP
Certified Public Accountants

September 28, 2011



Ketel Thorstenson, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Sam Kooiker, Mayor
and Common Council
City of Rapid City
Rapid City, South Dakota

Compliance

We have audited **CITY OF RAPID CITY** (the City)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditor's 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 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 of the City's compliance with those requirements.

In our opinion, City of Rapid City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

The Honorable Mayor and Common Council
Page Two

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as Findings 2010-3 and 2010-4. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

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



KETEL THORSTENSON, LLP
Certified Public Accountants

September 28, 2011

CITY OF RAPID CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	CFDA NUMBERS	AMOUNT
U.S. Department of Housing and Urban Development:		
<i>Direct Federal Funding:</i>		
CDBG Entitlement Grants Cluster		
Community Development Block Grant/Entitlement (Note 2)	14.218	356,874.46
ARRA - Community Development Block Grant ARRA Entitlement Grants (Note 2)	14.253	103,188.20
Total CDBG Entitlement Grants Cluster		460,062.66
Economic Development Initiative - Special Projects	14.251	38,796.00
Total U.S. Department of Housing and Urban Development		498,858.66
U.S. Department of the Interior:		
<i>Pass-Through the SD Department of Tourism and State Development</i>		
Historic Preservation Fund Grant-in-Aid	15.904	9,313.84
		9,313.84
U.S. Department of Justice:		
<i>Direct Federal Funding:</i>		
Bullet Proof Vest Partnership Program	16.607	4,867.50
Public Safety Partnership and Community Policing Grant	16.710	44,045.44
ARRA - Public Safety Partnership and Community Policing Grant	16.710	143,630.02
Total Highway Planning and Construction Cluster		187,675.46
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3,897.16
Total U.S. Department of Justice		196,440.12
U.S. Department of Transportation:		
<i>Pass-Through the S.D. Department of Transportation:</i>		
Airport Improvement Program	20.106	4,861,852.00
Highway Planning and Construction	20.205	466,803.05
Metropolitan Planning Grants	20.505	73,699.46
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Highway Safety Cluster		
State and Community Highway Safety	20.600	13,680.00
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	147,745.77
Total Highway Safety Cluster		161,425.77
Hemp Training Grant	20.703	30,667.60
<i>Direct Federal Funding:</i>		
ARRA Federal Transit - Formula Grants	20.507	94,495.00
Federal Transit - Formula Grants	20.507	1,603,743.00
Total Federal Transit - Formula Grants		1,698,238.00
Total U.S. Department of Transportation		7,292,685.88
U.S. General Services Administration:		
<i>Pass-through the SD Bureau of Administration - SD Federal Property Agency:</i>		
Donation of Federal Surplus Property	39.003	13,242.79
National Foundation of the Arts and Humanities:		
<i>Pass-Through the SD Department of Tourism and State Development - SD Arts Council</i>		
Promotion of the Arts and Humanities Grant	45.025	3,150.00
U.S. Environmental Protection Agency:		
<i>Direct Federal Funding:</i>		
Congressionally Mandated Projects	66.202	69,390.53
Performance Partnership Grant	66.605	51,139.59
Total U.S. Environmental Protection Agency		120,530.12
Department of Energy		
<i>Direct Federal Funding:</i>		
ARRA Energy Efficiency and Conservation Block Grants	81.128	647,848.50
Corporation for National and Community Service:		
<i>Direct Federal Funding:</i>		
Retired and Senior Volunteer Program	94.002	58,954.92
U.S. Department of Homeland Security:		
<i>Direct Federal Funding:</i>		
Assistance to Firefighters Grant	97.044	71,651.00
Total		\$8,912,675.83

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	20,000.00
Teton Housing Coalition	23,634.42
Habitat for Humanity	49,466.94
Behavior Management Systems	51,603.31
Rapid City Community Health	20,000.00
211 Helpline	5,000.00
Dakota Plains Legal Services	5,000.00
Working Against Violence	5,000.00
Rapid City Community Development	54,230.86
Salvation Army	13,311.78
Cornerstone Rescue Mission	21,710.00
Benji's House	2,500.00
Consumer Credit Counseling	6,926.16
Pennington County Health/Human Services	1,752.73
Club for Boys	2,290.81
Rural American Initiatives	17,757.00
Bethel Assembly of God	58,117.18
Youth & Family Services	5,466.50
	<u>363,767.69</u>

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Rapid City (the City).
2. Significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. Significant deficiencies disclosed during the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion.
6. Audit findings relative to the major federal award program for the City are reported in Part C of this schedule.
7. The programs tested as a major program were:
 - a. Community Development Block Grant Cluster (CFDA #14.218 and 14.253)
 - b. Federal Transit (CFDA #20.507)
 - c. Airport Improvement Program (CFDA #20.106)
 - d. Highway Planning and Construction (CFDA #20.205)
 - e. Energy Efficiency and Conservation Block Grant Program – ARRA (CFDA #81.128)
8. The threshold for distinguishing type A and B programs was \$300,000.
9. The City was not considered a low-risk auditee under the criteria established in OMB Circular A-133.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES – NOT MATERIAL WEAKNESSES

2010-1 Finding: Capital Asset Records and Adjustments

Condition and Cause: We made several audit adjustments to properly record capital assets. Due to a lack of adequate review processes regarding capital assets, we identified the following specific situations:

1. We noted capital asset additions capitalized at improper amounts due to typing errors.
2. We identified capital asset purchases that were not properly added to the capital asset listings.
3. We determined that the classification between capital asset categories was not consistent or accurate between the general ledger and the capital asset records.

In addition, City management identified prior period adjustments that were recorded in the accompanying 2010 financial statements.

Criteria and Effect: A significant part of the City's operations involves capital assets, and accurate record keeping and reporting of these capital assets is important to the City. The lack of capital asset review processes could result in misstatements to the City's financial statements.

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010**

B. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

SIGNIFICANT DEFICIENCIES – NOT MATERIAL WEAKNESSES (CONTINUED)

2010-1 Finding: Capital Asset Records and Adjustments (Continued)

Questioned Costs: None

Recommendation: The City should develop a process to timely review all capital asset additions entries to determine that they were entered correctly. In addition, expenditure account details should be reviewed to determine that purchases are properly capitalized.

Response/Corrective Action Plan: The Finance Office is developing a system of maintaining capital asset records to ensure better internal controls over capital asset accounting. Capital assets additions and deletions will be monitored during the year and recorded in the capital asset system as changes occur. Year-end entries will be reviewed by a second individual to enhance internal controls over the capital asset recording process. The Finance Officer is responsible for the corrective action plan for this finding.

2010-2 Finding: Budgetary Overdraft

Condition and Cause: Due to a lack of proper budgetary controls, the City has budget overdrafts in violation of South Dakota Codified Law 9-21-9, in numerous departments of several funds.

Criteria and Effect: The City did not follow state law.

Questioned Costs: None

Recommendation: The City in the future should complete supplemental appropriations for unbudgeted expenditures.

Response/Corrective Action Plan: The Finance Office is developing procedures to ensure supplemental appropriation ordinances are approved as budget overdrafts are identified. The Finance Office will continue to evaluate compliance with the budget prior to year-end and make any amendments considered necessary through the supplemental appropriation process. The Finance Officer is responsible for the corrective action plan for this finding.

C. FINDINGS – COMPLIANCE AUDIT

SIGNIFICANT DEFICIENCIES – NOT MATERIAL WEAKNESSES

2010-3 Finding: Federal Grant Reporting

Condition and Cause: We noted reports were prepared accurately and submitted to the granting agencies timely by the program manager, but the City has no review processes to ensure that these reports are properly completed and filed timely. This finding related to the Community Development Block Grant Cluster (CFDA #14.218 and 14.253), Federal Transit Program (CFDA #20.507), and Energy Efficiency and Conservation Block Grant Program – ARRA (CFDA #81.128).

Criteria and Effect: The City receives several federal grants that include financial and operational reporting requirements. Without proper review and tracking processes of these reporting requirements, the City could fail to file a required federal report or file it inaccurately. This would result in noncompliance with federal grants, and the City could potentially lose federal funding.

Questioned Costs: None

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2010**

C. FINDINGS – COMPLIANCE AUDIT (CONCLUDED)

SIGNIFICANT DEFICIENCIES – NOT MATERIAL WEAKNESSES (CONCLUDED)

2010-3 Finding: Federal Grant Reporting (Continued)

Recommendation: The City should appoint an individual or certain individuals to review all grant reports submitted for accuracy and compliance with reporting requirements of the federal grant.

Response/Corrective Action Plan: The Finance Office is currently creating procedures to improve the grant reporting review process and ensure compliance with grant requirements. A second member of the Finance Office staff will be reviewing grant reports after preparation to enhance the controls over grant reporting. The Finance Officer is responsible for the corrective action plan for this finding.

2010-4 Finding: Preparation of the Schedule of Expenditures of Federal Awards

Condition and Cause: The City prepared the schedule of expenditures of federal awards (the SEFA). However, we adjusted the expenditures for the Community Development Block Grant by \$35,123. This finding relates to the Community Development Block Grant Cluster (CFDA #14.218 and 14.253).

Criteria and Effect: The City is required to accurately prepare the SEFA in accordance with OMB Circular A-133.

Questioned Costs: None

Recommendation: The City should continue to develop a training process to ensure accurate preparation of the Schedule of Expenditures of Federal Awards.

Response/Corrective Action Plan: The Finance Office is developing a system of controls over the preparation of the Schedule of Expenditures of Federal Awards to ensure accurate reporting. The Assistant Finance Officer and Accounting and Grants Manager will monitor the preparation of the SEFA and review procedures will be implemented. In addition, the Finance Office will monitor training opportunities to ensure staff is properly trained and has the most current resources available. The Finance Officer is responsible for the corrective action plan for this finding.

CITY OF RAPID CITY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Status of Prior Audit Findings and Recommendations:

Finding 2009-1 and 2009-4 Financial Statement Preparation: This finding was not repeated for the year ending December 31, 2010.

Finding 2009-2 Budgetary Overdrafts: This finding had been repeated as Finding 2010-2.

Finding 2009-3 Revenue Recognition: This finding was not repeated for the year ending December 31, 2010.

Finding 2009-5 Schedule of Expenditures of Federal Awards Preparation: This finding has been partially repeated as Finding 2010-4.