

**CITY OF RAPID CITY,
SOUTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2011

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, 2011

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September 28, 2012

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, 2011 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,

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 2011 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, 2011

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, 2011 were as follows:

<u>ELECTIVE OFFICIALS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Sam Kooiker	Mayor	2013
Gary Brown	Council Representative	2012
Charity Doyle	Council Representative	2013
Ritchie Nordstrom	Council Representative	2013
Steve Laurenti	Council Representative	2013
Dave Davis	Council Representative	2012
Jerry Wright	Council Representative	2013
Jordan Mason	Council Representative	2012
John B Roberts	Council Representative	2013
Bonny Petersen	Council Representative	2012
Ron Sasso	Council Representative	2013

PRINCIPAL OFFICERS

Airport Manager	Cameron Humphres
City Attorney	Joel Landeen
Building Inspector	Brad Solon
Civic Center Director	Brian Maliske
Finance Officer	Pauline Sumption
Assistant Finance Officer	Mary Floto
Fire Chief	Mike Maltaverne
Community Planning and Development Service Director	Brett Limbaugh
Library Director	Greta Chapman
Parks and Recreation Director	Jerry Cole
Community Resources Director	Jeff Barbier
Police Chief	Steve Allender
Public Works Director	Terry Wolterstorff
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, 2011

LIBRARY BOARD – 3 YEAR TERMS

Sandra McNelly, Chairperson
Richard Haeder
James Olson
Laura Patterson
Monte Loos

TERM EXPIRES

December 2013
December 2012
December 2013
December 2011
December 2013

CIVIC CENTER BOARD – 3 YEAR TERMS

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

January 2012
January 2014
January 2013
January 2014
January 2012

AIRPORT BOARD – 5 YEAR TERMS

Dick McConnell, President
Bert Corwin
Lisa Modrick
Ron Johnsen
Bill Kessloff

May 2012
May 2013
May 2013
May 2013
May 2012

PLANNING COMMISSION – 3 YEAR TERMS

John Brewer, Chairman
Dennis Popp
Kay Rippentrop
Linda Marchand
Steve Rolinger
Andy Scull
Erik Braun
Patrick Fink
Jan Swank
Josh Snyder
Len Weimer
Sandra Beshara

July 2013
July 2012
July 2013
July 2013
July 2014
July 2013
July 2012
July 2012
July 2014
July 2012
July 2014
July 2013

CITY OF RAPID CITY
 ORGANIZATIONAL CHART
 DECEMBER 31, 2011

CITIZENS ELECTORATE OF RAPID CITY, SOUTH DAKOTA
CITY COUNCIL

MAYOR
 Sam Kooiker

Library Board
 Sandra McNeely, Chairperson

Civic Center Board
 Eddie Rypkema, Chairman

Library Director
 Greta Chapman

Civic Center Director
 Brian Maliske

Planning Commission
 John Brewer, Chairman

Airport Board
 Dick McConnell, President

Community Planning and Development
Director
 Brett Limbaugh

Airport Manager
 Cameron Humphres

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

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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, 2011, 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, 2011, 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 _____, 2012, 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 60 through 65, and page 66 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 67 through 87, pages 88 through 131, and pages 132 through 152, 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 157 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

_____, 2012

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, 2011. 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 \$600,115,879.14 (Net assets). Of this amount, \$86,770,776.86 (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 \$37,201,952.50 during 2011.
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$56,501,249.76.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,469,352.79 or about thirty-seven percent (37%) of total general fund expenditures.
- The City of Rapid City's total debt decreased by \$14,267,325.23 during the current fiscal year after taking into account the other post-employment benefit liability. \$10,980,853.00 of the decrease is due to the payment of government activity revenue bonds, and a decrease of \$740,998.29 due to the payment of business activity revenue bonds. The remainder of the decrease is primarily due to the payment of tax increment district financing.

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 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 27-59 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 60-66.

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 67-131 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 \$600,115,879.14 at the close of the most recent fiscal year.

By far the largest portion of the City of Rapid City’s total assets (82.5%) 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.

	Government		Business-type		Total	
	Activities		Activities			
	2010	2011	2010	2011	2010	2011
Current and Other Assets	\$ 74,578	\$ 72,577	\$ 100,012	\$ 88,984	\$ 174,590	\$ 161,561
Capital Assets	257,317	265,260	303,442	339,736	560,759	604,996
Total Assets	331,895	337,837	403,454	428,720	735,349	766,557
Long-term liabilities outstanding	59,944	46,971	75,470	87,454	135,414	134,425
Other liabilities	20,492	21,264	21,040	10,752	41,532	32,016
Total liabilities	80,436	68,235	96,510	98,206	176,946	166,441
Net assets:						
Invested in capital assets, net of	187,793	208,837	249,503	286,399	437,296	495,237
Restricted	13,367	9,046	26,207	9,062	39,574	18,108
Unrestricted	50,300	51,718	31,234	35,053	81,534	86,771
Total net assets	\$ 251,460	\$ 269,601	\$ 306,944	\$ 330,515	\$ 558,404	\$ 600,116

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 (\$86,770,776.86) 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)

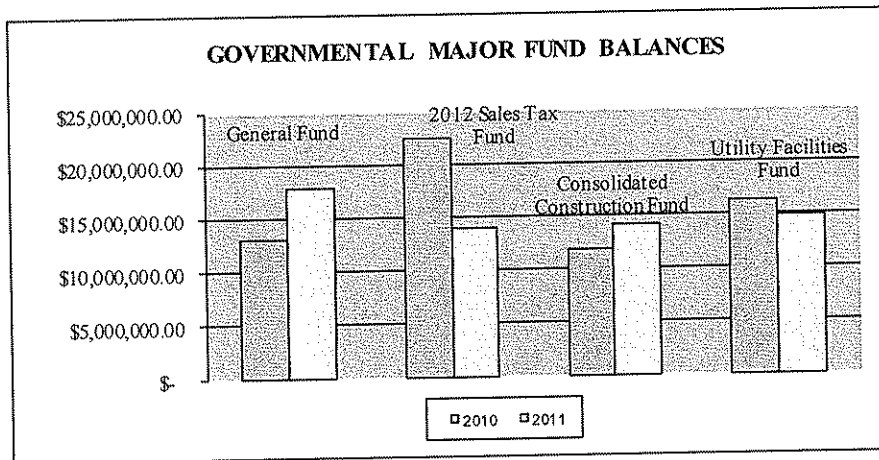
	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2011	2010	2011	2010	2011
Revenues:						
Program Revenues						
Charges for services	\$ 4,893	\$ 6,764	\$ 44,806	\$ 48,712	\$ 49,699	\$ 55,477
Operating grants & contributions	2,295	3,105	-	-	2,295	3,105
Capital grants and contributions	3,776	2,317	7,233	10,690	11,009	13,007
General Revenues						
Property taxes	21,531	21,643	-	-	21,531	21,643
Other taxes	45,508	48,044	3,422	3,440	48,930	51,484
State/County shared revenue	1,464	1,556	-	-	1,464	1,556
Unrestricted investment earnings	2,093	2,218	1,330	1,506	3,423	3,724
Other	122	86	213	58	335	144
Total Revenues	81,682	85,733	57,004	64,406	138,686	150,139
Expenses:						
General government	3,161	2,930	-	-	3,161	2,930
Public safety	20,490	20,831	-	-	20,490	20,831
Public works	18,573	18,456	-	-	18,573	18,456
Health and welfare	3,118	2,961	-	-	3,118	2,961
Conservation & development	3,755	3,478	-	-	3,755	3,478
Culture & recreation	9,921	9,762	-	-	9,921	9,762
Interest on long-term debt	5,072	5,722	-	-	5,072	5,722
Miscellaneous	1,482	1,483	-	-	1,482	1,483
Water reclamation	-	-	6,955	7,168	6,955	7,168
Water	-	-	9,871	10,258	9,871	10,258
Golf	-	-	980	1,320	980	1,320
Recycling	-	-	2,620	2,938	2,620	2,938
Executive Golf	-	-	213	214	213	214
Airport	-	-	5,496	6,951	5,496	6,951
Waste collection	-	-	1,826	1,926	1,826	1,926
Waste disposal	-	-	2,216	2,635	2,216	2,635
Civic center	-	-	10,166	9,798	10,166	9,798
Cemetery	-	-	242	255	242	255
Parking	-	-	597	681	597	681
Energy plant	-	-	368	294	368	294
Transportation terminal	-	-	85	147	85	147
Ambulance	-	-	2,932	2,728	2,932	2,728
Total Expenses	65,572	65,623	44,567	47,314	110,139	112,937
Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers	16,110	20,110	12,437	17,092	28,547	37,202
Fund Transfers	(3,258)	(6,479)	3,258	6,479	-	-
Change in Net Assets	12,852	13,631	15,695	23,571	28,547	37,202
Net Assets-Beginning	237,877	251,460	292,755	306,944	530,632	558,404
Prior Period Adjustment	731	4,510	(1,507)	-	(776)	4,510
NET ASSETS - ENDING	\$251,460	\$ 269,601	\$306,944	\$ 330,515	558,404	\$600,116

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.

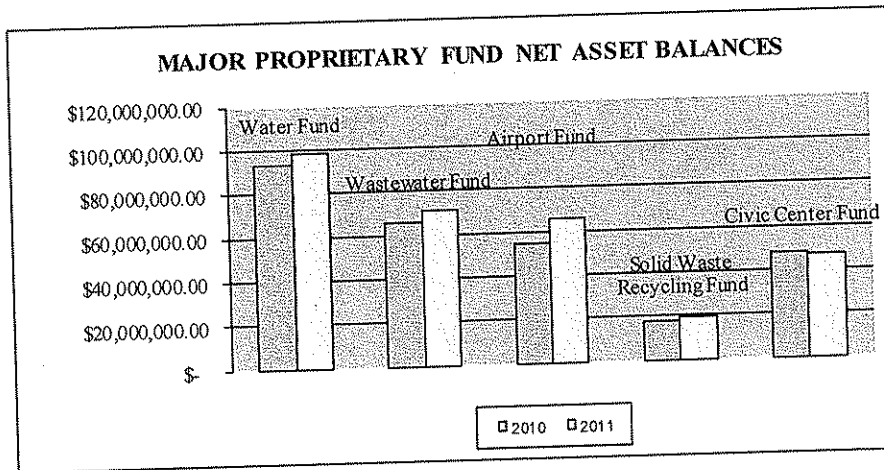
At the end of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$56,501,249.76. Approximately 17% of this total amount (\$9,823,970.36) constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as 1) nonspendable (for inventories, notes receivable, advances to other funds, and perpetual care cemetery endowment of \$8,518,110.67), 2) restricted (for debt service, perpetual care cemetery, library, business improvement districts and grants of \$8,996,122.91), 3) Committed (for capital replacements, Vision Fund, consolidated construction and erosion and sediment control funds of \$28,638,883.82), 4) Assigned (for next year's appropriations for \$524,162.00).

The General Fund balance increased by \$5,147,332.74 in 2011, which was primarily due to an increase in property and sales taxes (\$1,774,601.61), and licenses and permits (1,613,597.65), as well as the inclusion of Repair and Demolition, Drainage and Education Loan funds due to the changes in fund balance reporting incorporating GASB 54. The 2012 Sales Tax Fund balance decreased \$8,489,500.60 due to an increase in capital project costs paid from the fund (\$6,207,092.98) and transfers to other funds (\$3,364,850.00). The Consolidated Construction Fund balance decreased \$2,494,935.28 due to payment for projects as approved in the Construction Improvement plan. The Utility Facilities Fund balance decreased \$1,503,104.00 due to additional transfers (1,500,000.00) for road repair.



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 - \$2,487,263.83, wastewater - \$8,552,501.70, airport - \$5,025,964.16, waste recycling - \$7,591,388.60, civic center - \$371,381.65, waste collection - \$1,974,591.03, waste disposal - \$5,008,906.30, executive golf - (\$68,720.11), cemetery - \$71,134.35, golf - (\$107,790.93), parking lot - \$614,602.19, energy plant - (\$252,074.64) ambulance - \$2,421,833.01 and transportation terminal - \$134,562.46. Eleven funds had increases in net assets in 2011 and those increases are as follows: water - \$4,824,200.36, wastewater - \$5,328,938.79, airport - \$10,903,424.11, waste recycling - \$1,678,078.90, waste collection - \$417,570.54, waste disposal - \$438,043.82 cemetery - \$21,038.34, golf course - \$607,645.01, parking - \$4,861.56, energy plant - \$83,539.49 and ambulance \$576,190.81. Three funds had decreases in net assets. These decreases are as follows: civic center - (\$1,315,072.56), executive golf - (\$79,160.68), and transportation terminal (\$23,990.33).



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 2011 the City of Rapid City spent \$287,793.05 less than the budgeted amount in the General Fund Police and \$135,758.43 less than the budgeted amount in the General Fund Other Protection Re-entry Program. This is due primarily to not being fully staffed and not purchasing as many supplies and equipment as was anticipated. Also in 2011 the City of Rapid City spent \$696,675.94 less than the budgeted amount in General Fund Highways and Streets, \$275,121.97 less than budgeted in the General Fund Public Works Administration and \$370,037.55 less than budgeted in the General Fund Transportation Planning. This is primarily due to not 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, 2011 amounts to \$495,236,833.22 (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: Main Street Square; Jackson Springs Water Treatment Plant which will be completed in 2012; Airport main terminal expansion and Taxiway A relocation, which will be completed in 2012; 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	
	2010	2011	2010	2011	2010	2011
Land and land improvements	\$ 41,984	\$ 41,977	\$ 15,812	\$ 15,780	\$ 57,796	\$ 57,757
Buildings	66,516	66,417	136,915	141,303	203,431	207,721
Improvements	244,062	262,645	241,130	262,404	485,192	525,049
Machinery and equipment	26,108	26,572	24,607	24,729	50,715	51,301
Construction in Progress	10,551	14,027	29,144	47,586	39,695	61,613
Total	389,221	411,637	447,608	491,803	836,829	903,441
Less accumulated depreciation	(131,904)	(146,377)	(144,165)	(152,067)	(276,069)	(298,445)
Total capital assets	\$ 257,317	\$ 265,260	\$ 303,443	\$ 339,736	\$ 560,760	\$ 604,996

Long-term debt.

Government activities:	\$ 59,926,172.11
Business-type activities	<u>90,618,858.88</u>
	\$150,545,030.99

Current portion \$ 16,103,603.69

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2011	2010	2011	2010	2011
Revenue Bonds	\$ 32,943	\$ 22,351	\$ 73,717	\$ 81,239	\$ 106,660	\$ 103,590
Unamortized Premium	988	598	(721)	(705)	267	(107)
Revolving Loan	-	-	13,371	5,092	13,371	5,092
Landfill Closure	-	-	1,334	1,381	1,334	1,381
Tax Increment Financing	34,380	32,531	-	-	34,380	32,531
Lease/Purchase	1,214	942	2,669	2,151	3,883	3,093
Other Post Employment Benefits	1,442	1,667	544	655	1,986	2,322
Compensated Absences	1,901	1,837	785	806	2,686	2,643
Total	\$ 72,868	\$ 59,926	\$ 91,699	\$ 90,619	\$ 164,567	\$ 150,545

The City of Rapid City maintains an AAA to Baa2 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 \$1,046,119,884. \$66,675,116 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.

Known fact, decisions or conditions.

There are no known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

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.

**STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS:				
Cash & Cash Equivalents	\$ 25,521,708.40	\$ 18,039,903.60	\$ 43,561,612.00	\$ 37,912.00
Investments	29,094,684.53	13,343,294.77	42,437,979.30	-
Accounts Receivable, Net	10,726,784.32	10,246,502.74	20,973,287.06	33,096.00
Internal Balances (see Note 5)	(1,247,844.88)	1,247,844.88	-	-
Other Assets	770,626.00	400,862.20	1,171,488.20	162,590.00
Deferred Charges	226,462.00	822,162.25	1,048,624.25	3,353.00
Restricted Assets:				
Cash with Fiscal Agent	7,484,451.00	43,502,226.60	50,986,677.60	-
Restricted Cash	-	1,381,056.11	1,381,056.11	132,492.00
Capital Assets:				
Land and Construction in Progress (see Note 2)	56,003,495.85	63,366,573.34	119,370,069.19	-
Other Capital Assets, Net of Depreciation (see Note 2)	209,256,413.06	276,369,666.91	485,626,079.97	113,159.00
TOTAL ASSETS	<u>\$ 337,836,780.28</u>	<u>\$ 428,720,093.40</u>	<u>\$ 766,556,873.68</u>	<u>\$ 482,602.00</u>
LIABILITIES:				
Accounts Payable	\$ 7,288,477.92	\$ 5,827,346.88	\$ 13,115,824.80	\$ 17,650.00
Other Current Liabilities	1,020,779.36	1,759,359.39	2,780,138.75	19,019.00
Noncurrent Liabilities				
Due Within One Year	12,954,725.05	3,164,887.14	16,119,612.19	-
Due in More Than One Year	46,971,447.06	87,453,971.74	134,425,418.80	-
TOTAL LIABILITIES	<u>68,235,429.39</u>	<u>98,205,565.15</u>	<u>166,440,994.54</u>	<u>36,669.00</u>
NET ASSETS:				
Invested in Capital Assets Net of Related Debt	208,837,368.14	286,399,465.08	495,236,833.22	113,159.00
Restricted for:				
Debt Service	7,484,451.00	9,062,146.15	16,546,597.15	-
Cemetery Trust Fund - Expendable	7,742.33	-	7,742.33	-
Cemetery Trust Fund - Nonexpendable	50,000.00	-	50,000.00	-
Other Purposes - TID Debt Service	1,346,475.64	-	1,346,475.64	-
Other Purposes - Dwnntn Business Impr District	1,573.46	-	1,573.46	-
Other Purposes - Business Impr District	13,727.44	-	13,727.44	-
Other Purposes - RSVP	3,863.41	-	3,863.41	-
Other Purposes - Component Unit	-	-	-	132,492.00
Other Purposes - Library	65,417.38	-	65,417.38	-
Other Purposes - Grant (Loan Rehab)	72,872.25	-	72,872.25	-
Unrestricted	51,717,859.84	35,052,917.02	86,770,776.86	200,282.00
TOTAL NET ASSETS	<u>269,601,350.89</u>	<u>330,514,528.25</u>	<u>600,115,879.14</u>	<u>445,933.00</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 337,836,780.28</u>	<u>\$ 428,720,093.40</u>	<u>\$ 766,556,873.68</u>	<u>\$ 482,602.00</u>

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, 2011**

	----- 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	\$ 2,929,869.37	\$ 1,448,934.96	\$ -	\$ -	\$ (1,480,934.41)	\$ -	\$ (1,480,934.41)	\$ -
Public Safety	20,831,125.22	1,105,582.31	404,463.59	-	(19,321,079.32)	-	(19,321,079.32)	-
Public Works	18,456,437.86	391,789.40	999,068.57	2,316,690.70	(14,748,889.19)	-	(14,748,889.19)	-
Health and Welfare	2,961,340.39	389,372.55	592,109.75	-	(1,979,858.09)	-	(1,979,858.09)	-
Culture, Recreation	9,761,625.33	1,684,725.75	48,696.56	-	(8,028,203.02)	-	(8,028,203.02)	(64,142.00)
Conservation and Development	3,477,994.67	1,661,635.38	1,060,621.90	-	(755,737.39)	-	(755,737.39)	-
Interest on Long Term Debt	5,721,651.69	-	-	-	(5,721,651.69)	-	(5,721,651.69)	-
Miscellaneous Expenditures	1,483,064.35	82,126.89	-	-	(1,400,937.46)	-	(1,400,937.46)	-
Total Governmental Activities	65,623,108.88	6,764,167.24	3,104,960.37	2,316,690.70	(53,437,290.57)	-	(53,437,290.57)	(64,142.00)
Business-Type Activities:								
Water	10,258,187.20	13,457,402.06	-	161,700.00	-	3,360,914.86	3,360,914.86	-
Water Reclamation	7,168,432.25	9,990,865.24	-	1,379,910.00	-	4,202,342.99	4,202,342.99	-
Airport	6,951,193.21	5,348,491.02	-	9,148,241.87	-	7,545,539.68	7,545,539.68	-
Solid Waste Disposal	2,635,304.65	2,826,063.16	-	-	-	190,758.51	190,758.51	-
Solid Waste MRF/Compost	2,938,357.91	3,590,764.32	-	-	-	652,406.41	652,406.41	-
Civic Center	9,798,187.48	5,403,014.51	-	-	-	(4,395,172.97)	(4,395,172.97)	-
Solid Waste Collection	1,926,102.87	2,330,246.30	-	-	-	404,143.43	404,143.43	-
Executive Golf Course	213,817.69	134,729.47	-	-	-	(79,088.22)	(79,088.22)	-
Cemetery	255,160.82	155,041.10	-	-	-	(100,119.72)	(100,119.72)	-
Golf Course	1,320,071.18	1,212,133.37	-	-	-	(107,937.81)	(107,937.81)	-
Parking Lot & Area	680,578.13	685,134.60	-	-	-	4,556.47	4,556.47	-
Energy Plant	294,442.08	248,206.75	-	-	-	(46,235.33)	(46,235.33)	-
Ambulance	2,727,571.28	3,301,029.57	-	-	-	573,458.29	573,458.29	-
Transportation Terminal	146,886.42	29,257.41	-	-	-	(117,629.01)	(117,629.01)	-
Total Business-type Activities	47,314,293.17	48,712,378.88	-	10,689,851.87	-	12,087,937.58	12,087,937.58	-
Total Primary Government	\$ 112,937,402.05	\$ 55,476,546.12	\$ 3,104,960.37	\$ 13,006,542.57	\$ (53,437,290.57)	\$ 12,087,937.58	\$ (41,349,352.99)	\$ (64,142.00)
General Revenues:								
Taxes:								
Property Taxes					21,643,115.75	-	21,643,115.75	-
Sales Taxes					45,990,060.77	3,263,328.20	49,253,388.97	-
Other Taxes					2,053,576.46	177,135.97	2,230,712.43	-
State Shared Revenue					1,260,175.63	-	1,260,175.63	-
County Shared Revenue					295,849.05	-	295,849.05	-
Unrestricted Investment Earnings					2,218,353.04	1,505,645.79	3,723,998.83	-
Miscellaneous Revenue					168,552.28	937,473.46	1,106,025.74	-
Loss on disposal of Capital Assets					(82,165.20)	(879,795.71)	(961,960.91)	-
Transfers					(6,479,194.49)	6,479,194.49	-	-
Total General Revenue, Loss and Transfers					67,068,323.29	11,482,982.20	78,551,305.49	-
Change in Net Assets					13,631,032.72	23,570,919.78	37,201,952.50	(64,142.00)
Net Assets, Beginning					251,460,015.64	306,943,608.47	558,403,624.11	510,075.00
Prior Period Adjustments								
Correction of Prior Year Due from Other Governments					(396,141.60)	-	(396,141.60)	-
Adjustment for prior year Highway Safety program grants					4,906,444.13	-	4,906,444.13	-
Net Assets, Ending					\$ 269,601,350.89	\$ 330,514,528.25	\$ 600,115,879.14	\$ 445,933.00

The City does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

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, 2011**

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
101 Cash and Cash Equivalents	\$ 6,423,925.60	\$ 731,288.45	\$ 4,549,355.99	\$ 2,477,307.80	\$ 1,610,384.92	\$ 15,792,262.76
102 Restricted Cash	-	295,861.29	-	-	155,160.50	451,021.79
106 Cash with Fiscal Agent, Restricted	-	4,652,397.95	200,033.78	2,632,019.27	-	7,484,451.00
151 Investments	7,987,226.61	8,083,809.05	6,650,795.41	4,927,894.81	48,229.16	27,697,955.04
110 Property Taxes Receivable--Delinquent	365,367.32	-	-	-	305,988.75	671,356.07
110 Sales Tax Receivable	2,624,567.59	1,312,283.80	1,312,283.80	456,446.53	-	5,705,581.72
115 Accounts Receivable	123,357.71	-	-	-	66,130.35	189,488.06
121 Special Assessments Receivable--Current	6,433.65	-	-	-	1,344.00	7,777.65
122 Special Assessments Receivable--Delinquent	60,589.80	-	-	-	-	60,589.80
123 Special Assessments Receivable--Deferred	163,103.35	-	-	-	15,501.00	178,604.35
128 Notes Receivable	-	-	2,418,975.97	-	-	2,418,975.97
131 Due from Other Funds (see Note 5)	90,514.45	26,602.84	68,925.66	381,874.04	-	567,916.99
133 Advance to Other Funds (see Note 5)	1,100,974.36	28,199.01	313,454.06	3,835,881.27	-	5,278,508.70
132 Due from Other Governments (see Note 6)	569,691.97	-	98,088.97	-	13,468.29	681,249.23
135 Interest Receivable	74,082.65	8,895.78	163,022.57	12,058.34	1,686.37	259,745.71
144 Inventory	770,626.00	-	-	-	-	770,626.00
TOTAL ASSETS	\$ 20,360,461.06	\$ 15,139,338.17	\$ 15,774,936.21	\$ 14,723,482.06	\$ 2,217,893.34	\$ 68,216,110.84
LIABILITIES AND FUND BALANCES:						
<i>Liabilities:</i>						
201 Claims Payable	1,326,690.74	1,222,308.63	1,761,308.29	1,465.63	304,414.99	4,616,188.28
216 Wages Payable	742,832.12	-	-	-	13,406.47	756,238.59
208 Due to Other Funds (see Note 5)	-	-	-	-	551,784.44	551,784.44
209 Advance from Other Funds (see Note 5)	-	-	-	-	5,315,112.71	5,315,112.71
224 Deferred Revenue	425,823.05	-	-	-	49,714.01	475,537.06
Total Liabilities	2,495,345.91	1,222,308.63	1,761,308.29	1,465.63	6,234,432.62	11,714,861.08
<i>Fund Balances:</i>						
263 Nonspendable	770,626.00	-	-	-	-	770,626.00
263.01 Inventory	-	-	-	-	-	-
263.04 Advances	1,100,974.36	28,199.01	313,454.06	3,835,881.27	-	5,278,508.70
263.05 Notes Receivables	-	-	2,418,975.97	-	-	2,418,975.97
263.51 Perpetual Care Cemetery	-	-	-	-	50,000.00	50,000.00
264 Restricted	-	4,652,397.95	200,033.78	2,632,019.27	1,346,475.64	8,830,926.64
264.01 Debt Service	-	-	-	-	7,742.33	7,742.33
264.03 Cemetery Perpetual Care	-	-	-	-	65,417.38	65,417.38
264.05 Library	-	-	-	-	15,300.90	15,300.90
264.09 Business Improvement District	-	-	-	-	76,735.66	76,735.66
264.97 Grant	-	-	-	-	-	-
265 Committed	-	-	-	8,254,115.89	-	8,254,115.89
265.02 Capital Replacements	-	-	-	-	-	-
265.04 2012 Sales Tax (Vision Fund)	-	9,236,432.58	-	-	-	9,236,432.58
265.04 Consolidated Construction Sales Tax	-	-	11,081,164.11	-	-	11,081,164.11
265.99 Erosion/Sediment Control	-	-	-	-	67,171.24	67,171.24
266 Assigned	524,162.00	-	-	-	-	524,162.00
266.01 Assigned for Next Year's Appropriation	15,469,352.79	-	-	-	(5,645,382.43)	9,823,970.36
267 Unassigned	17,865,115.15	13,917,029.54	14,013,627.92	14,722,016.43	(4,016,539.28)	56,501,249.76
Total Fund Balances	\$ 20,360,461.06	\$ 15,139,338.17	\$ 15,774,936.21	\$ 14,723,482.06	\$ 2,217,893.34	\$ 68,216,110.84
TOTAL LIABILITIES AND FUND BALANCES						

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, 2011**

Total Fund Balances - Governmental Funds	\$ 56,501,249.76
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.	265,259,908.91
Long term liabilities, including bonds payable are not due and payable in the current period and therefore not reported in the funds.	(59,926,172.11)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(260,329.23)
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.	226,462.00
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.	475,537.06
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.	7,324,694.50
Total Net Assets - Governmental Activities	<u><u>\$ 269,601,350.89</u></u>

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, 2011

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
310 Taxes:					\$ 8,712,800.37	\$ 22,057,283.58
311 General Property Taxes	\$ 13,344,483.21	\$ -	\$ -	\$ -	-	45,990,060.77
313 General Sales and Use Taxes	21,155,428.00	10,577,713.96	10,577,713.96	3,679,204.85	-	1,930,059.12
314 Gross Receipts Business Taxes	646,703.97	-	-	-	1,283,355.15	2,891,641.15
320 Licenses and Permits	2,891,641.15	-	-	-	-	-
330 Intergovernmental Revenue:					782,098.03	2,678,051.84
331 Federal Grants	1,701,580.98	-	194,372.83	-	-	426,908.53
334 State Grants	28,425.00	-	398,483.53	-	-	-
335 State Shared Revenue:						100,138.73
335.01 Bank Franchise Tax	100,138.73	-	-	-	-	376,901.49
335.03 Liquor Tax Reversion	376,901.49	-	-	-	-	51,549.24
335.04 Motor Vehicle Licenses (5%)	51,549.24	-	-	-	-	183,060.26
335.06 Fire Insurance Reversion	183,060.26	-	-	-	-	-
335.08 Local Government Highway and Bridge Fund	548,525.91	-	-	-	-	548,525.91
338 County Shared Revenue:						295,849.05
338.01 County Road Tax (25%)	295,849.05	-	-	-	-	-
340 Charges for Goods and Services:						371,000.69
341 General Government	356,402.68	-	14,598.01	-	-	1,039,130.49
342 Public Safety	1,039,130.49	-	-	-	-	291,509.03
343 Public Works	253,302.27	-	38,206.76	-	-	382,797.55
345 Health & Welfare	382,797.55	-	-	-	-	1,569,496.10
346 Culture and Recreation	1,569,496.10	-	-	-	-	3,127.88
348 Cemetery	-	-	-	-	82,126.89	82,126.89
349 Conservation & Development	-	-	-	-	-	-
350 Fines and Forfeits:						18,107.81
351 Court Fines and Costs	18,107.81	-	-	-	-	115,229.65
354 Library	-	-	-	-	-	-
360 Miscellaneous Revenue:					32,806.25	2,218,353.04
361 Interest Earnings	613,119.99	611,365.64	455,598.74	505,462.42	-	128,023.98
362 Rentals	128,023.98	-	-	-	160,064.00	210,735.94
363 Special Assessments	50,671.94	-	-	-	38,847.47	62,631.48
367 Contributions and Donations	3,784.01	-	20,000.00	-	-	40,528.30
369 Other	27,207.16	-	13,321.14	-	-	-
Total Revenue	45,766,330.97	11,189,079.60	11,712,294.97	4,184,667.27	11,210,455.69	84,062,828.50
Expenditures:						
410 General Government:						440,602.22
412 Executive-Mayor & Council	440,602.22	-	-	-	-	428,687.78
414 Financial - Community Resources	340,058.94	-	88,628.84	-	-	729,640.25
414 Financial - Finance	729,640.25	-	-	-	-	11,019.96
414 Financial - Attorney	11,019.96	-	-	-	-	830,686.65
419 Other - Government Buildings	792,218.57	-	38,468.08	-	-	-
420 Public Safety:						11,793,617.42
421 Police	11,793,617.42	-	-	-	-	7,923,108.89
422 Fire	7,923,108.89	-	-	-	-	47,797.13
429 Other Protection-Corrections	47,797.13	-	-	-	-	198,186.69
429 Other Protection-Code Enforcement	198,186.69	-	-	-	-	21,197.45
429 Other Protection-ACE	21,197.45	-	-	-	-	42,130.49
429 Other Protection-Re-entry Program	42,130.49	-	-	-	-	86,451.00
429 Other Protection-Emergency Mgt	86,451.00	-	-	-	-	-

CITY OF RAPID CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
430 Public Works:						4,795,602.53
431 Highways and Streets	5,016,095.11	(220,492.58)	-	-	-	2,140,196.54
43x Administration	271,847.55	-	1,868,348.99	-	-	
440 Health and Welfare:						420,773.85
441 Health	420,773.85	-	-	-	-	278,318.00
444 Humane Society	278,318.00	-	-	-	-	1,772,009.12
449 Other - Public Transit	1,772,009.12	-	-	-	-	64,327.84
449 Other - Air Quality	64,327.84	-	-	-	-	
450 Culture and Recreation:						372,378.61
451 Recreation	358,995.26	13,383.35	-	-	-	1,528,208.44
451 Swimming Pools	1,528,208.44	-	-	-	-	624,057.30
451 Ice Arena	624,057.30	-	-	-	-	2,051,649.80
452 Parks	2,051,649.80	-	-	-	120,253.83	3,081,220.07
455 Libraries	2,960,966.24	-	-	-	-	8,128.11
457 Historical Preservation	8,128.11	-	-	-	-	301,145.50
459 Other - Parks & Rec Administration	182,151.52	19,269.15	99,724.83	-	98,618.46	98,618.46
459 Other - Retired Senior (RSVP)	-	-	-	-	236.00	236.00
459 Other - Cemetery	-	-	-	-	-	200,000.00
459 Other - Subsidies	200,000.00	-	-	-	-	
460 Conservation and Development:						787,126.16
465 Economic Development	458,000.00	329,126.16	-	-	-	2,300,146.28
465 Community Development	1,479,597.93	-	-	-	820,548.35	324,842.62
465 Transportation Planning	324,842.62	-	-	-	-	85,583.86
465 GIS Information System	85,583.86	-	-	-	-	20,852,477.26
470 Debt Service	121,551.68	6,723,075.00	3,486,428.57	1,637,937.89	8,883,484.12	20,400,030.93
485 Capital Outlay	1,033,507.43	9,170,473.35	9,295,283.92	-	900,766.23	
490 Miscellaneous:						
492 Other Expenditures	7,773.24	8,895.77	4,499.53	3,063.38	1,458,832.43	1,483,064.35
Total Expenditures	<u>41,674,413.91</u>	<u>16,043,730.20</u>	<u>14,881,382.76</u>	<u>1,641,001.27</u>	<u>12,282,739.42</u>	<u>86,523,267.56</u>
Excess of Revenue Over (Under) Expenditures	<u>4,091,917.06</u>	<u>(4,854,650.60)</u>	<u>(3,169,087.79)</u>	<u>2,543,666.00</u>	<u>(1,072,283.73)</u>	<u>(2,460,439.06)</u>
Other Financing Sources (Uses):						
391.01 Transfers In (see Note 5)	662,803.00	-	1,500,000.00	-	208,856.00	2,371,659.00
511 Transfers Out (see Note 5)	(343,386.00)	(3,634,850.00)	(825,847.49)	(4,046,770.00)	-	(8,850,853.49)
391.02 Long-term debt issued	-	-	-	-	-	2,054,563.57
391.03 Sale of Municipal Property	4,323.00	-	-	-	-	4,323.00
Total Other Financing Sources (Uses)	<u>323,740.00</u>	<u>(3,634,850.00)</u>	<u>674,152.51</u>	<u>(4,046,770.00)</u>	<u>2,263,419.57</u>	<u>(4,420,307.92)</u>
Net Change in Fund Balances	4,415,657.06	(8,489,500.60)	(2,494,935.28)	(1,503,104.00)	1,191,135.84	(6,880,746.98)
Fund Balance - Beginning (Note 8)	13,449,458.09	22,406,530.14	11,798,260.67	16,225,120.43	(5,007,675.12)	58,871,694.21
Prior Period Adjustment (Note 8)	-	-	4,710,302.53	-	(200,000.00)	4,510,302.53
FUND BALANCE- ENDING	<u>\$ 17,865,115.15</u>	<u>\$ 13,917,029.54</u>	<u>\$ 14,013,627.92</u>	<u>\$ 14,722,016.43</u>	<u>\$ (4,016,539.28)</u>	<u>\$ 56,501,249.76</u>

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, 2011

Net change in fund balances - total government funds	\$ (6,880,746.98)
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.	5,782,193.11
Assets Contributed by Development.	2,254,059.22
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).	15,156,402.22
Debt proceeds, including premiums are a revenue in the governmental funds but the proceeds increase long-term liabilities in the statement of net assets.	(2,054,563.57)
Debt issuance costs are deferred in the government-wide statements and amortized over the term of the related debt.	(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.	79,826.35
In the Statement of Activities, the gains and 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.	(93,738.20)
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.	(224,882.78)
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.	(501,386.43)
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.	64,527.37
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.	154,745.42
Change in Net Assets of Governmental Activities	\$ 13,631,032.73

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

**CITY OF RAPID CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011**

	Water Fund	Wastewater Fund	Airport Fund
ASSETS:			
Current Assets:			
101 Cash and Cash Equivalents	\$ 1,841,354.15	\$ 5,291,957.31	\$ 2,193,929.68
106 Cash with Fiscal Agent, Restricted	31,918,060.71	1,136,569.99	8,811,446.86
107 Restricted Cash (Note 16)	-	-	-
151 Investments	2,046,084.44	3,973,689.15	-
115 Accounts Receivable	590,363.37	780,213.98	836,929.43
116 Estimated Uncollectable Accounts Receivable	(25,986.15)	(30,000.00)	(4,104.56)
117 Unbilled Accounts Receivable	525,488.44	-	-
110 Sales Tax Receivable	-	-	-
131 Due from Other Funds	142,006.89	859.16	-
132 Due from Other Government (see Note 6)	-	-	3,900,453.22
135 Interest Receivable	227,154.25	10,993.61	6,023.55
142 Inventory of Stores Purchased for Resale	33,847.00	13,965.91	-
155 Prepaid Expenses	286,107.51	127,245.00	251,342.50
Total Current Assets	37,584,480.61	11,305,494.11	15,996,020.68
Noncurrent Assets:			
133 Advance to Other Funds	663,204.46	-	-
Capital Assets:			
160 Land	5,769,617.19	671,711.14	1,084,000.31
162 Buildings	11,730,527.41	24,814,545.27	21,920,553.02
164 Improvements Other than Bldg	111,871,333.98	69,179,057.13	58,679,938.49
164 Furniture & Equipment	589,270.88	625,096.09	753,377.81
166 Machinery and Equipment	810,391.56	1,575,417.62	5,707,195.58
168 Construction Work in Progress	21,895,597.66	6,739,213.71	18,816,805.31
Less: Accumulated Depreciation	(42,737,511.55)	(28,677,643.09)	(39,447,325.42)
Total Noncurrent Assets	110,592,431.59	74,927,397.87	67,514,545.10
TOTAL ASSETS	\$ 148,176,912.20	\$ 86,232,891.98	\$ 83,510,565.78
LIABILITIES:			
Current Liabilities:			
202 Accounts Payable	\$ 2,197,767.03	\$ 985,715.80	\$ 1,760,418.19
208 Due to Other Funds (see Note 5)	-	60,000.00	-
215 Accrued Interest Payable	287,557.69	86,760.07	92,241.78
220 Customer Deposits	715,346.74	-	-
2xx Wages Payable	97,541.51	70,035.22	70,150.38
226 OPEB Current Obligations	45,432.00	35,755.72	39,937.68
226 Bonds Payable Current:			
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	3,430,938.47	2,119,833.11	2,504,248.03
Noncurrent Liabilities:			
209 Advance from Other Funds (see Note 5)	270,000.00	243,000.00	-
231 OPEB Long-Term Obligations	63,166.54	49,713.08	55,527.51
231 Bonds Payable	46,359,234.75	12,931,411.70	15,668,583.38
231 Capital Lease Payable	-	-	-
233 Accrued Leave Payable (see Note 4)	150,549.02	80,442.53	133,834.12
235 Accrued Landfill Closure and Postclosure	-	-	-
Total Noncurrent Liabilities	46,842,950.31	13,304,567.31	15,857,945.01
NET ASSETS:			
253.10 Invested in Capital Assets, Net of Related Debt	90,711,378.01	61,119,419.87	58,537,363.04
253.20 Restricted Net Assets, Restricted for:			
253.22 Revenue Bond Retirement	4,704,381.58	1,136,569.99	1,585,045.54
253.90 Unrestricted Net Assets	2,487,263.83	8,552,501.70	5,025,964.16
Total Net Assets	97,903,023.42	70,808,491.56	65,148,372.74
TOTAL LIABILITIES AND NET ASSETS	\$ 148,176,912.20	\$ 86,232,891.98	\$ 83,510,565.78

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
\$	4,592,893.93	\$ 153,225.54	\$ 3,966,542.99	\$ 18,039,903.60	\$ 9,278,423.85
	761,090.72	596,323.50	278,734.82	43,502,226.60	-
	-	-	1,381,056.11	1,381,056.11	-
	2,807,626.18	102,157.35	4,413,737.65	13,343,294.77	1,396,729.49
	483,196.04	91,828.05	5,883,087.55	8,665,618.42	546,340.05
	(10,000.00)	-	(3,161,975.88)	(3,232,066.59)	-
	-	-	-	525,488.44	-
	11,474.81	348,700.84	-	360,175.65	-
	-	188,709.10	55,750.33	387,325.48	-
	-	-	26,833.60	3,927,286.82	-
	5,539.48	1,000.86	6,592.65	257,304.40	7,075.71
	-	95,744.89	-	143,557.80	-
	26,321.07	91,828.03	39,318.14	822,162.25	-
	8,678,142.23	1,669,518.16	12,889,677.96	88,123,333.75	11,228,569.10
	-	-	-	663,204.46	-
	542,868.12	1,091,682.05	6,620,227.85	15,780,106.66	-
	12,968,827.18	61,134,223.11	8,734,599.24	141,303,275.23	-
	4,268,971.62	8,913,085.05	9,491,670.81	262,404,057.08	-
	191,553.86	3,408,734.45	2,156,194.27	7,724,227.36	-
	1,258,545.79	405,496.05	7,248,146.90	17,005,193.50	-
	-	-	134,850.00	47,586,466.68	-
	(6,712,183.01)	(24,229,069.09)	(10,263,354.10)	(152,067,086.26)	-
	12,518,583.56	50,724,151.62	24,122,334.97	340,399,444.71	-
\$	21,196,725.79	\$ 52,393,669.78	\$ 37,012,012.93	\$ 428,522,778.46	\$ 11,228,569.10
\$	188,739.22	\$ 295,073.96	\$ 399,632.68	\$ 5,827,346.88	\$ 2,672,289.64
	-	-	343,458.03	403,458.03	-
	3,870.60	1,247.74	13,185.24	484,863.12	-
	-	-	-	715,346.74	-
	48,630.79	163,594.66	109,196.97	559,149.53	4,211.54
	22,161.61	47,747.88	83,110.27	274,145.16	-
	553,800.00	205,000.00	85,000.00	2,327,659.80	-
	-	87,633.75	436,948.43	524,582.18	-
	5,000.00	-	7,000.00	38,500.00	-
	822,202.22	800,297.99	1,477,531.62	11,155,051.44	2,676,501.18
	-	-	113,600.45	626,600.45	-
	30,812.48	66,386.43	115,552.65	381,158.69	-
	1,448,306.05	4,705,795.91	2,184,925.23	83,298,257.02	-
	-	146,480.08	1,479,876.54	1,626,356.62	-
	26,448.21	127,762.34	248,107.08	767,143.30	-
	-	-	1,381,056.11	1,381,056.11	-
	1,505,566.74	5,046,424.76	5,523,118.06	88,080,572.19	-
	10,516,477.51	45,579,241.88	19,935,584.77	286,399,465.08	-
	761,090.72	596,323.50	278,734.82	9,062,146.15	-
	7,591,388.60	371,381.65	9,797,043.66	33,825,543.60	8,552,067.92
	18,868,956.83	46,546,947.03	30,011,363.25	329,287,154.83	8,552,067.92
\$	21,196,725.79	\$ 52,393,669.78	\$ 37,012,012.93	\$ 428,522,778.46	\$ 11,228,569.10

**CITY OF RAPID CITY
RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

Total Net Assets - Enterprise Funds \$ 329,287,154.83

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

1,227,373.42

Total Net Assets - Business-type Activities

\$ 330,514,528.25

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, 2011

	Water Fund	Wastewater Fund	Airport Fund
Operating Revenue:			
380 Charges for Goods and Services	\$ 10,695,581.77	\$ -	\$ 3,763,034.92
381 Revenues used as Security for Revenue Bonds	2,761,820.29	9,990,865.24	1,585,456.10
Total Operating Revenues	<u>13,457,402.06</u>	<u>9,990,865.24</u>	<u>5,348,491.02</u>
Operating Expenses:			
410 Personal Services	2,102,566.35	1,624,232.88	1,996,125.20
420 Other Current Expense	3,241,515.64	3,335,865.19	2,093,491.32
426.2 Materials (Cost of Goods Sold)	-	-	-
457 Depreciation (see Note 2)	2,525,346.60	1,778,189.59	1,949,852.48
Total Operating Expenses	<u>7,869,428.59</u>	<u>6,738,287.66</u>	<u>6,039,469.00</u>
Operating Income (Loss)	<u>5,587,973.47</u>	<u>3,252,577.58</u>	<u>(690,977.98)</u>
Nonoperating Revenue (Expense):			
361 Investment Earnings	489,802.57	316,176.35	131,847.95
470 Interest Expense and Fiscal Charges	(2,398,821.49)	(438,064.24)	(920,570.14)
366 Gain (Loss) on Disposition of Capital Assets	(72,147.98)	(277,811.19)	(442,734.16)
369.01 Other Taxes	-	-	177,135.97
369.01 Sales Tax	-	-	-
369.01 Other	6,668.08	-	480.60
Total Nonoperating Revenue (Expense)	<u>(1,974,498.82)</u>	<u>(399,699.08)</u>	<u>(1,053,839.78)</u>
Income (Loss) Before Capital Grants and Transfers	<u>3,613,474.65</u>	<u>2,852,878.50</u>	<u>(1,744,817.76)</u>
330 Capital Grants	-	821,310.00	9,148,241.87
391.7 Contributions (to) from Developers/Others	161,700.00	558,600.00	-
391.1 Transfers In (see Note 5)	1,296,360.71	1,250,409.29	3,500,000.00
511 Transfers Out (see Note 5)	(247,335.00)	(154,259.00)	-
Net Capital Grants, Contributions and Transfers	<u>1,210,725.71</u>	<u>2,476,060.29</u>	<u>12,648,241.87</u>
Change in Net Assets	<u>4,824,200.36</u>	<u>5,328,938.79</u>	<u>10,903,424.11</u>
Net Assets - Beginning	93,078,823.06	65,479,552.77	54,244,948.63
NET ASSETS - ENDING	<u><u>\$ 97,903,023.42</u></u>	<u><u>\$ 70,808,491.56</u></u>	<u><u>\$ 65,148,372.74</u></u>

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
\$ 3,590,764.32	\$ 5,403,014.51	\$ 10,236,707.13	\$ 33,689,102.65	\$ 7,383,883.41
-	-	685,134.60	15,023,276.23	-
3,590,764.32	5,403,014.51	10,921,841.73	48,712,378.88	7,383,883.41
1,019,694.10	3,665,690.54	4,432,268.60	14,840,577.67	86,991.67
1,251,555.58	3,216,519.59	4,174,304.52	17,313,251.84	7,318,073.88
-	761,945.73	140,905.34	902,851.07	-
525,494.33	1,910,263.94	1,234,133.86	9,923,280.80	-
2,796,744.01	9,554,419.80	9,981,612.32	42,979,961.38	7,405,065.55
794,020.31	(4,151,405.29)	940,229.41	5,732,417.50	(21,182.14)
212,911.34	21,622.57	333,285.01	1,505,645.79	236,539.17
(146,497.63)	(254,347.35)	(236,642.56)	(4,394,943.41)	-
14,867.97	(44,404.69)	(57,565.66)	(879,795.71)	-
-	-	-	177,135.97	-
-	3,263,328.20	-	3,263,328.20	-
856,874.86	-	73,449.92	937,473.46	-
938,156.54	2,986,198.73	112,526.71	608,844.30	236,539.17
1,732,176.85	(1,165,206.56)	1,052,756.12	6,341,261.80	215,357.03
-	-	-	9,969,551.87	-
-	-	-	720,300.00	-
-	-	1,108,283.39	7,155,053.39	-
(54,097.95)	(149,866.00)	(70,300.95)	(675,858.90)	-
(54,097.95)	(149,866.00)	1,037,982.44	17,169,046.36	-
1,678,078.90	(1,315,072.56)	2,090,738.56	23,510,308.16	215,357.03
17,190,877.93	47,862,019.59	27,920,624.69	305,776,846.67	8,336,710.89
\$ 18,868,956.83	\$ 46,546,947.03	\$ 30,011,363.25	\$ 329,287,154.83	\$ 8,552,067.92

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, 2011

Net change in net assets - Enterprise funds	\$ 23,510,308.16
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	60,611.62
Change in Net Assets of Business-type Activities	<u>\$ 23,570,919.78</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, 2011**

	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	\$ 13,234,135.96	\$ 9,927,797.26	\$ 5,487,933.58	\$ 3,502,312.70	\$ 5,618,843.93
Receipt from Interfund Services Provided	(6,599.88)	671,474.44	-	-	(188,709.10)
Payments to Suppliers	(1,597,885.39)	(3,087,603.28)	(1,732,358.70)	(1,152,057.35)	(4,000,234.60)
Payments to Employees	(2,088,550.13)	(1,653,540.63)	(1,942,871.33)	(1,001,028.47)	(3,648,150.55)
Internal Activity - Payment to Other Funds	181,593.94	(60,000.00)	-	-	-
Net Cash Provided (Used) by Operating Activities	9,722,694.50	5,798,127.79	1,812,703.55	1,349,226.88	(2,218,250.32)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Airport Property Tax and Gross Receipts Tax (Civic Center)	-	-	177,135.97	-	3,291,321.09
Transfers In	1,296,360.71	1,250,409.29	3,500,000.00	-	-
Transfer Out	(247,335.00)	(154,259.00)	-	(54,097.95)	(149,866.00)
Net Cash Provided (Used) by Operating Subsidies and Transfers	1,049,025.71	1,096,150.29	3,677,135.97	(54,097.95)	3,141,455.09
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Capital Debt	260,915.00	11,968,511.00	11,675,000.00	-	-
Capital Grants	-	821,310.00	6,609,669.50	-	-
Purchase of Capital Assets	(20,154,814.04)	(6,910,529.51)	(16,398,533.46)	(73,446.99)	(1,403,273.49)
Principal Paid on Capital Debt	-	(9,843,232.72)	(13,999,399.12)	(523,926.51)	(296,379.32)
Interest Paid on Capital Debt	(2,386,485.01)	(445,316.76)	(842,266.88)	(149,292.03)	(254,423.12)
Other Receipts (Payments)	6,668.08	-	480.60	845,400.05	-
Net Cash (Used) by capital and related financing Activities	(22,273,715.97)	(4,409,257.99)	(12,955,049.36)	98,734.52	(1,954,075.93)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Earnings	527,097.24	146,693.84	129,641.75	95,682.76	17,818.98
Net Cash Provided (Used) by Investing Activities	527,097.24	146,693.84	129,641.75	95,682.76	17,818.98
Net Increase (Decrease) in Cash and Cash Equivalents	(10,974,898.52)	2,631,713.93	(7,335,568.09)	1,489,546.21	(1,013,052.18)
Balances - Beginning	44,734,313.38	3,796,813.37	18,340,944.63	3,864,438.44	1,762,601.22
Balances - Ending	\$ 33,759,414.86	\$ 6,428,527.30	\$ 11,005,376.54	\$ 5,353,984.65	\$ 749,549.04
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 5,587,973.47	\$ 3,252,577.58	\$ (690,977.98)	\$ 794,020.31	\$ (4,151,405.29)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	2,525,346.60	1,778,189.59	1,949,852.48	525,494.33	1,910,263.94
Landfill Closure & Postclosure Costs	-	-	-	-	-
Change in Assets and Liabilities:					
Receivables	(269,584.18)	(63,067.98)	139,442.56	(88,451.62)	215,829.42
Inventories	(8,164.86)	3,347.75	-	-	(16,624.67)
Prepaid Expenses	10,218.13	(127,245.00)	(207,137.50)	4,386.85	4,833.05
Customer Deposits	46,318.08	-	-	-	-
Due to/from Other Funds	174,994.06	611,474.44	-	-	(188,709.10)
Accounts and Other Payables	1,641,576.98	372,159.16	568,270.12	95,111.38	(9,977.66)
Accrued Wages Payable	605.12	(9,269.71)	(1,913.64)	5,983.76	(2,979.85)
Accrued Other Post Employment Benefits	17,222.03	12,413.98	15,977.84	8,936.28	19,942.56
Accrued Leave Payable	(3,810.93)	(32,452.02)	39,189.67	3,745.59	577.28
Net Cash Provided (Used) by Operating Activities	\$ 9,722,694.50	\$ 5,798,127.79	\$ 1,812,703.55	\$ 1,349,226.88	\$ (2,218,250.32)
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (72,147.98)	\$ (277,811.19)	\$ (442,734.16)	\$ 14,867.97	\$ (44,404.69)
Contribution of Assets from Others	161,700.00	558,600.00	-	-	-
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
101 Cash and Cash Equivalents	\$ 1,841,354.15	\$ 5,291,957.31	\$ 2,193,929.68	\$ 4,592,893.93	\$ 153,225.54
106 Cash with Fiscal Agent, Restricted	31,918,060.71	1,136,569.99	8,811,446.86	761,090.72	596,323.50
107 Restricted Cash (Note 16)	-	-	-	-	-
	\$ 33,759,414.86	\$ 6,428,527.30	\$ 11,005,376.54	\$ 5,353,984.65	\$ 749,549.04

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

Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 10,377,241.66	\$ 48,148,265.09	\$ -
21,199.01	497,364.47	7,381,328.22
(4,278,565.04)	(15,848,704.36)	(7,331,816.57)
(4,375,653.51)	(14,709,794.62)	(86,935.86)
(76,299.58)	45,294.36	-
<u>1,667,922.54</u>	<u>18,132,424.94</u>	<u>(37,424.21)</u>
-	3,468,457.06	-
1,108,283.39	7,155,053.39	-
(70,300.95)	(675,858.90)	-
<u>1,037,982.44</u>	<u>9,947,651.55</u>	<u>-</u>
-	23,904,426.00	-
-	7,430,979.50	-
(1,436,263.47)	(46,376,860.96)	-
(500,526.12)	(25,163,463.79)	-
(241,738.09)	(4,319,521.89)	-
73,449.92	925,998.65	-
<u>(2,105,077.76)</u>	<u>(43,598,442.49)</u>	<u>-</u>
151,979.49	1,068,914.06	461,361.07
151,979.49	1,068,914.06	461,361.07
752,806.71	(14,449,451.94)	423,936.86
4,873,527.21	77,372,638.25	8,854,486.99
<u>\$ 5,626,333.92</u>	<u>\$ 62,923,186.31</u>	<u>\$ 9,278,423.85</u>
\$ 940,229.41	\$ 5,732,417.50	\$ (21,182.14)
1,234,133.86	9,923,280.80	-
46,702.38	46,702.38	-
(544,600.07)	(610,431.87)	(2,555.19)
-	(21,441.78)	-
2,069.38	(312,875.09)	-
-	46,318.08	-
(110,850.90)	486,908.50	-
43,623.39	2,710,763.37	(13,742.69)
6,410.55	(1,163.77)	55.81
36,883.53	111,376.22	-
13,321.01	20,570.60	-
<u>\$ 1,667,922.54</u>	<u>\$ 18,132,424.94</u>	<u>\$ (37,424.21)</u>
\$ (57,565.66)	\$ (879,795.71)	\$ -
-	720,300.00	-
\$ 3,966,542.99	\$ 18,039,903.60	\$ 9,278,423.85
278,734.82	43,502,226.60	-
1,381,056.11	1,381,056.11	-
<u>\$ 5,626,333.92</u>	<u>\$ 62,923,186.31</u>	<u>\$ 9,278,423.85</u>

**CITY OF RAPID CITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011**

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	\$ 647,229.91
Investments	313,251.53
TOTAL ASSETS	<u>\$ 960,481.44</u>
 LIABILITIES:	
Accounts Payable	\$ 96,586.34
Due to Other Organizations	863,895.10
Total Liabilities	<u>\$ 960,481.44</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 as the MARC is financially dependent on the City. 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. Discretely presented component units are legally separate organizations that meet certain criteria, as described in note 1.A, above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.A., above.

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, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented.

An emphasis is placed on major funds within the governmental and proprietary categories, each displayed in a separate column. 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 restricted to expenditures for certain purposes.

Debt Service Funds

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

Permanent Fund

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

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

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

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

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The City maintains five internal service funds: Medical Insurance, Liability Insurance, Unemployment Insurance, Dental Insurance and Workers' Compensation Insurance. These funds are utilized to account for the corresponding insurances. 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>	
Vision 2012 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..

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)

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.

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.

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.

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 and interpretations issued after November 30, 1989.

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, 2011, the 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	7,059,144.01	7,059,144.01		
Certificates of Deposit	N/A	2,919,000.00	2,919,000.00		
Repurchase Agreement	N/A	31,447,952.86	27,805,477.86	3,642,475.00	
US Treasury Note	AAA	3,881,532.76	3,881,532.76		
US Government Sponsored Enterprises:					
Freddie Mac Bonds	AAA	4,259,814.77	4,259,814.77		
Fannie Mae	AAA	1,419,233.20	1,419,233.20		
Total		50,986,677.60	47,344,202.60	3,642,475.00	

Investments - As of December 31, 2011, the City had the following investments:

Investment	Credit	Total	Less than 1 Year	1-5 Years	5-10 Years	10 Years or More
						224,231.31
US Treasury Bonds	N/A	224,231.31				224,231.31
US Treasury Notes	N/A	8,727,950.78	104,107.69	3,871,901.12	2,404,331.86	2,347,610.11
Tennessee Valley Authority	AAA	127,651.10				127,651.10
US Federal Agency Obligations:						
GNMA (Ginnie Mae) Pool	AAA	496,410.33		19,792.37	26,129.88	450,488.08
USDA	AAA	1,146,318.34			158,716.64	987,601.70
US Government Sponsored Enterprises:						
FNMA (Fannie Mae) Pool	AAA	9,858,400.66	470,463.89	3,716,785.73	459,013.18	5,212,137.86
FNMA Notes	AAA	3,853,876.61		3,710,988.34	142,888.27	
FNMA Bond	AAA	524,875.00		524,875.00		
FHLMC (Freddie Mac) Pool	AAA	10,016,297.25	1,225,367.50	2,445,832.53	611,987.56	5,733,109.66
FHLMC Debentures	AAA	694,023.45		694,023.45		
FHLMC Notes	AAA	5,235,009.84	250,517.50	4,340,539.84	643,952.50	
FFCB Bonds	AAA	209,390.00		209,390.00		
FHLB Bonds	AAA	1,636,796.16		1,351,206.00	285,590.16	
Total		42,751,230.83	2,050,456.58	20,885,334.38	4,732,610.05	15,082,829.82

Presented in the:

Statement of Net Assets	42,437,979.30
Statement of Fiduciary Net Assets	313,251.53
	<u>42,751,230.83</u>

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%. More than 5 percent of the City's investments are in repurchase agreements which comprise 29% of the investments.

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, RBC, Edward Jones, Wells Fargo and MidFirst Bank 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, except for interest generated by the Cemetery Perpetual Care Fund, which must be credited to the General Fund, and used only for maintenance of the municipal cemetery, as required by SDCL 9-32-18.

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 totaling \$2,418,975.97 at December 31, 2011 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.

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.

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 (Continued)

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 the lower of cost or market, 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.

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.

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

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

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

LONG-TERM LIABILITIES (Continued)

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 when they become due. 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 and Proprietary Fund Net Assets

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”.

Government fund equity is classified as fund balance, and may distinguish between “Nonspendable”, “Restricted”, “Committed”, “Assigned” and “Unassigned” components. Proprietary fund equity is classified the same as in the government-wide financial statements. Agency Funds have no fund equity. The new assets are reported as net assets held in agency capacity.

It is the City’s policy to first use restricted net assets, prior to the use of unrestricted net assets, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Governmental Fund Balances

In accordance with Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

1. Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
2. Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
3. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same, or higher, level action to remove or change the constraint. The City council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.
4. Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Council or by an official or body to which the City Council delegates the authority. Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose.
5. Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The City does not have a formal minimum fund balance policy.

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

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

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.

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.

CITY OF RAPID CITY, SOUTH DAKOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 NOTE 2. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets not being depreciated:				
Land	\$ 41,983,812.38	\$ -	\$ (7,250.00)	\$ 41,976,562.38
Construction in Progress	10,551,134.60	23,128,950.71	(19,653,151.84)	14,026,933.47
Total capital assets not being depreciated	52,534,946.98	23,128,950.71	(19,660,401.84)	56,003,495.85
Capital Assets being depreciated:				
Buildings	66,516,415.48	-	(98,920.29)	66,417,495.19
Improvements	244,081,766.95	18,612,007.53	(28,989.05)	262,644,785.43
Machinery and Equipment	26,108,309.56	584,233.28	(120,976.47)	26,571,566.37
Total capital assets being depreciated	336,686,491.99	19,196,240.81	(248,885.81)	355,633,846.99
Less accumulated depreciation for:				
Buildings	(12,360,566.32)	(1,217,335.35)	48,100.96	(13,529,802.71)
Improvements	(102,296,660.68)	(11,536,142.67)	24,525.22	(113,808,278.13)
Machinery and Equipment	(17,246,815.19)	(1,882,309.33)	89,771.43	(19,039,353.09)
Total accumulated depreciation	(131,904,044.19)	(14,635,787.35)	162,397.61	(146,377,433.93)
Total capital assets being depreciated, net	204,782,447.80	4,560,453.46	(86,488.20)	209,256,413.06
Governmental activities capital assets, net	<u>\$ 257,317,394.78</u>	<u>\$ 27,689,404.17</u>	<u>\$ (19,746,890.04)</u>	<u>\$ 265,259,908.91</u>

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

Total General Government	\$ 494,183.42
Total Public Safety	714,737.55
Total Health and Welfare	423,869.30
Total Public Works	11,503,011.05
Total Culture and Recreation	1,485,928.66
Total Community /Economic Development	14,057.37
Total Governmental depreciation expense	<u>\$ 14,635,787.35</u>

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, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital Assets not being depreciated:				
Land	\$ 15,811,806.66	\$ -	\$ (31,700.00)	\$ 15,780,106.66
Construction in Progress	29,143,930.07	45,157,435.06	(26,714,898.45)	47,586,466.68
Total capital assets not being depreciated	44,955,736.73	45,157,435.06	(26,746,598.45)	63,366,573.34
Capital Assets being depreciated:				
Buildings	136,914,304.88	5,907,814.06	(1,518,843.71)	141,303,275.23
Improvements	241,129,812.07	21,539,600.23	(265,355.22)	262,404,057.08
Machinery and Equipment	24,607,325.14	1,207,210.06	(1,085,114.34)	24,729,420.86
Total capital assets being depreciated	402,651,442.09	28,654,624.35	(2,869,313.27)	428,436,753.17
Less accumulated depreciation for:				
Buildings	(40,717,562.79)	(2,681,760.59)	947,843.75	(42,451,479.63)
Improvements	(89,847,389.90)	(5,656,916.94)	131,044.56	(95,373,262.28)
Machinery and Equipment	(13,600,070.33)	(1,584,603.27)	942,329.25	(14,242,344.35)
Total accumulated depreciation	(144,165,023.02)	(9,923,280.80)	2,021,217.56	(152,067,086.26)
Total capital assets being depreciated, net	258,486,419.07	18,731,343.55	(848,095.71)	276,369,666.91
Business-type activities capital assets, net	\$ 303,442,155.80	\$ 63,888,778.61	\$ (27,594,694.16)	\$ 339,736,240.25

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

Total Water Enterprise	\$ 2,525,346.60
Total Wastewater Enterprise	1,778,189.59
Total Airport Enterprise	1,949,852.48
Total Solid Waste Disposal Enterprise	371,137.16
Total Solid Waste/MRF Enterprise	525,494.33
Total Civic Center Enterprise	1,910,263.94
Total Solid Waste Collection Enterprise	351,425.18
Total Executive Golf Enterprise	18,604.80
Total Cemetery Enterprise	27,914.91
Total Golf Course Enterprise	72,788.32
Total Parking Lot Area Enterprise	88,349.97
Total Ambulance Enterprise	217,271.20
Total Energy Plant Enterprise	19,953.42
Total Transportation Terminal Enterprise	66,688.90
Total Enterprise depreciation expense	\$ 9,923,280.80

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

NOTE 3. CONSTRUCTION COMMITMENTS

Construction commitments in the amount of approximately \$32.6 million as of December 31, 2011 were as follows:

Governmental Activities	Project Number	Project Description	Total Costs		
			As of 12/31/2011	Total Contract	Remaining
		Youth and Family Services Kitchen	488,734.18	490,000.00	1,265.82
		Skyline Wilderness Trails	20,000.00	38,000.00	18,000.00
	FD11-1953	Fire Station #4 Addition	78,302.25	223,775.00	145,472.75
		TRAKIT Software	64,000.00	158,000.00	94,000.00
	WTP10-878	Canyon Lake Drive Reconstruction	1,819,098.69	3,161,116.06	1,342,017.37
	ST04-1397	East Anamosa Street Extension	174,742.43	542,700.67	367,958.24
	SSW07-1472	Anamosa Water & Sewer	3,121.63	6,870.00	3,748.37
	ST07-1473	Anamosa Street Utilities	8,777.02	20,255.00	11,477.98
	DR05-1483	Good Samaritan Detention Facility	25,996.25	34,000.00	8,003.75
	SSW09-1509	Jackson Blvd Utilities	124,033.68	125,008.33	974.65
	ST08-1511	E Blvd/E North Reconstruction	1,273,113.12	1,525,247.00	252,133.88
	SSW07-1656	Silver Street	894,641.80	933,902.51	39,260.71
	DR07-1679	Frontier Place Reconstruction	220,157.00	223,597.47	3,440.47
	PW08-1743	Canyon Lake Reconstruction	317,353.53	394,772.00	77,418.47
	ST10-1777	Elm Ave Reconstruction	17,635.08	124,790.00	107,154.92
	ST09/10-1817	Downtown Street Improvement	2,675,323.16	2,826,773.76	151,450.60
	SSW10-1837	Jackson Blvd Utilities	6,665.67	47,084.00	40,418.33
	DR11-1839	Rand Road Drainage Channel	18,513.55	19,024.95	511.40
	DR10-1870	County Heights Drainage Basin	48,702.33	65,350.00	16,647.67
	SIG11-1922	St Patrick/S Valley Traffic Signal	30,192.45	36,991.06	6,798.61
	SSW11-1926	Mt Rushmore Utilities	34,005.52	116,959.50	82,953.98
	ST10-1909	Campbell St Box Culvert	1,868,368.28	1,912,581.32	44,193.04
Total Governmental Activities			10,211,497.62	13,026,798.63	2,815,301.01
Business-Type Activities					
		Rushmore Crossing	1,703,667.90	1,806,000.00	102,332.10
	WTP10-878	Canyon Lake Drive Reconstruction	4,884,912.07	6,639,225.31	1,754,313.24
	ST04-1397	East Anamosa Street Extension	860,573.74	1,798,370.37	937,796.63
	SSW07-1472	Anamosa Water & Sewer	562,838.98	647,056.50	84,217.52
	ST07-1473	Anamosa Street Utilities	23,163.48	53,455.00	30,291.52
	DR05-1483	Good Samaritan Detention Facility	42,817.37	56,000.00	13,182.63
	SSW09-1509	Jackson Blvd Utilities	414,379.61	426,450.67	12,071.06
	ST08-1511	E Blvd/E North Reconstruction	858,710.15	1,404,799.07	546,088.92
	SSW07-1656	Silver St	1,813,575.32	1,947,734.30	134,158.98
	DR07-1679	Frontier Place Reconstruction	119,264.45	127,063.65	7,799.20
	W08-1702	Kepps Watermain Extension	912,899.07	928,236.56	15,337.49
	ST08-1753	Mall Drive Utility Reconstruction	173,086.00	416,263.00	243,177.00
	ST10-1777	Elm Ave Reconstruction	4,429.06	32,000.00	27,570.94
	ST10-1792	Northridge Water Storage	1,809,534.04	2,491,000.00	681,465.96
	ST09/10-1817	Downtown Street Improvement	263,849.59	313,363.08	49,513.49
	SSW09-1819	Catron Reconstruction Utilities	1,004,066.74	1,597,191.32	593,124.58
	SS09-1831	Heights Drive Sanitary Sewer	1,119,197.01	1,121,525.24	2,328.23
	W09-1836	Jackson Springs Facility	3,582,198.99	4,057,533.41	475,334.42
	SSW10-1837	Jackson Blvd Utilities	25,075.83	177,127.00	152,051.17
	W10-1845	Kepps Reservoir Control Valve Station	197,129.86	507,911.00	310,781.14
	SS10-1852	Rapid Creek Trunk Sewer	268,923.55	304,681.00	35,757.45
	WTP10-1858	Jackson Springs Water Treatment	4,280,929.12	21,708,127.00	17,427,197.88
	W10-1879	Water Reservoir	138,983.17	156,214.00	17,230.83
	WRF10-1883	WRF Primary Digester Cover	850,836.88	879,218.00	28,381.12
	W10-1890	North Pinadale Reservoir St Martin	1,566,207.95	1,657,263.12	91,055.17
	W10-1894	Dakota Drive Water Main Reclamation	69,737.93	88,867.00	19,129.07
	W10-1898	Northridge Water Boost Station	692,286.98	738,435.78	46,148.80
	11-1908	E St Joe Overlay and Watermain	25,930.72	94,962.00	69,031.28
	SSW11-1926	Mt Rushmore Utilities	17,444.78	60,000.00	42,555.22
	SS10-1938	Enchanted Pines Drive	11,510.00	15,110.00	3,600.00
	SSW11-1946	Seeger Drive & Dyess Sanitary Sewer	336,651.03	1,039,313.70	702,662.67
		Taxiway A Relocation	5,148,367.31	5,183,024.39	34,657.08
		Cargo Apron	27,190.39	115,478.28	88,287.89
		Main Terminal Expansion	12,654,325.19	17,284,551.06	4,630,225.87
		Flight Information Data System	143,646.14	255,110.00	111,463.86
		Energy Plant Retrofit	134,850.00	465,000.00	330,150.00
Total Business-Type Activities			46,743,190.40	76,593,660.81	29,850,470.41
Grand Total			56,954,688.02	89,620,459.44	32,665,771.42

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.

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, 2011, the governmental long-term debt of the financial reporting entity consisted of the following:

Revenue Bonds:

Portion of Sales Tax Revenue Refunding Bonds, Series 2008 serviced by the Consolidated Construction Special Revenue Fund (22 percent). Interest paid in 2011 was \$20,945.10. See long-term debt schedule for business-type activities for a full description of this bond issue. 580,800.00

\$16,270,000 Sales Tax Revenue Bonds, Series 2005. Due in semi-annual installments of \$290,000 to \$915,000 through June 2016. Interest at 2.65 to 4.75 percent. (This issue is being serviced by the Utility Facilities Fund.) Interest paid in 2011 was \$343,773.75. 7,610,000.00

\$29,190,000 Sales Tax Revenue Bonds, Series 2005b. Due in eleven semi-annual installments of \$1,235,000 to \$3,090,000 through December 2012. Interest at 4.0 to 5.0 percent. (This issue is being serviced by the Vision 2012 Fund Special Revenue Fund.) Interest paid in 2011 was \$510,000.00. 6,105,000.00

\$8,055,000 Sales Tax Revenue Bonds, Series 2007. Interest only payments are due in years 2007-2012. Semi-annual principal installments of \$1,945,000 to \$2,085,000 due June 2013 through December 2014. Interest at 4.5 to 5.0 percent. (This issue is being serviced by the Vision 2012 Fund Special Revenue Fund.) Interest paid in 2011 was \$383,075. 8,055,000.00

22,350,800.00

598,634.00

\$22,949,434.00

Unamortized deferred premium

Compensated Absences:

Accrued Leave Payable General Fund 1,817,562.35

Accrued Leave Payable Other Government Funds 18,817.02

\$1,836,379.37

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 Consolidated Construction Special Revenue Fund. Interest paid in 2011 was \$20,226.43. \$390,857.89

\$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 Consolidated Construction Special Revenue Fund (Fire Department Interest paid in 2011 was \$27,628.85. 551,071.44

Total Leases \$941,929.33

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, 2011, there were 17 active tax increment financing districts in which costs had been certified in part or in whole. The current principal balances shown below plus interest at the stated applicable rate over the life of the note represent the amount of future property taxes pledged to fund improvements related to these tax increment districts that have been certified as of December 31, 2011. 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, 2011, principal and interest expenditures and property tax revenues were \$8,719,491.79 and \$8,712,800.37, 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 10/5/2018.	\$76,223.32
TID 35 – Estes/Elk Creek – Created in 2002, maximum payoff \$514,103 including interest at 7.5 percent, expires 3/18/2022.	23,778.44
TID 38 – Heartland Business – Created in 2003, maximum payoff \$6,360,879 including interest at 6.6 percent, expires 2/13/2023.	1,824,456.25
TID 39 – E Rapid Plaza – Created in 2003, maximum payoff \$1,276,274 including interest at 6.0 percent, expires 4/21/2023.	385,897.30
TID 40 – SoCreek Village – Created in 2003, maximum payoff \$1,140,164 including interest at 7.0 percent, expires 5/19/2023.	511,501.21
TID 41 – 5 th Street – Created in 2005, maximum payoff \$4,391,907.25 including interest at 7.5 percent, expires 6/22/2025.	1,634,353.61
TID 44 – Mall Drive – Created in 2004, maximum payoff \$7,822,706.77 including interest at 6.0 percent, expires 4/19/2024.	2,097,692.70
TID 47 – Tower Road – Created in 2004, maximum payoff \$5,027,671.00 including interest at 6.5 percent, expires 10/4/2024.	3,935,452.70
TID 50 – Federal Beef – Created in 2004, maximum payoff \$17,545,368.55 including interest at 6.0 percent, expires 12/20/2024.	4,375,384.10
TID 52 – E. St Charles – Created in 2005, maximum payoff \$1,250,106.68 including interest at 5.85 percent, expires 5/2/2025.	381,769.11
TID 53 – Stony Creek Plaza – Created in 2005, maximum payoff \$3,199,074 including interest at 8.0 to 9.75 percent, expires 7/5/2025.	345,575.99
TID 56 – Rushmore Crossing – Created in 2005, maximum payoff \$24,471,390.38 including interest at 6.75 percent, expires 11/21/2025.	10,255,861.91
TID 61 – Villagio – Created in 2006, maximum payoff \$2,978,711.65 including interest at 6.75 percent, expires 10/2/2026.	211,692.20
TID 63 – Copperfield Vistas – Created in 2007, maximum payoff \$8,078,019.27 including interest at 7.5 percent, expires 6/4/2027.	669,141.87

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

TID 65 – Minnesota Street – Created in 2007, maximum payoff \$33,956,176.65 including interest at 6.5 percent, expires 9/4/2027.	5,342,194.99
TID 68 – Homestead – Created in 2008, maximum payoff \$2,257,786.04 including interest at 9.0 percent, expires 4/21/2028.	<u>460,201.74</u>
Total Tax Increment District Liabilities	32,531,177.44
Other Post Employment Benefit Liabilities (Note 11)	<u>1,667,251.97</u>
Total Liabilities Payable	<u>\$59,926,172.11</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	\$1,648,176.00
Accumulated depreciation – Public Safety	<u>(351,359.26)</u>
Net assets recorded under capital leases	<u>\$1,296,816.74</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, 2011, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations		TID Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	8,101,399.00	915,807.80	282,591.51	36,897.59	3,711,412.53	2,296,789.11
2013	6,001,900.00	573,565.60	293,993.14	25,495.96	4,733,664.68	2,001,468.31
2014	6,033,671.00	317,949.20	305,856.75	13,632.33	4,798,113.77	1,460,472.36
2015	1,888,907.00	89,406.50	59,487.93	1,287.91	4,567,687.76	1,181,162.12
2016	923,557.00	17,156.25	-	-	2,432,997.20	939,998.37
2017-2021	-	-	-	-	9,132,956.70	1,828,442.90
2022-2026	-	-	-	-	3,154,344.80	78,167.34
TOTALS	<u>\$ 22,949,434.00</u>	<u>\$ 1,913,885.35</u>	<u>\$ 941,929.33</u>	<u>\$ 77,313.79</u>	<u>\$32,531,177.44</u>	<u>\$ 9,786,500.51</u>

The above noted annual requirements for maturity for the tax increment financing debt are based on actual tax increment revenues received in 2011; estimated tax increment revenues projected by Pennington County to receive in 2012; 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	\$2,319,712.50	\$840,536.44	\$200,122.50	\$1,002,650.83
Pledged Revenue	\$2,761,820.29	\$10,430,834.24	\$685,134.60	\$1,585,456.10

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

As of December 31, 2011, 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 2011 was \$120,122.50.	\$2,280,000.00
\$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 2011 was \$95,205.00	2,640,000.00
\$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 2011 was \$213,037.50.	4,920,000.00
\$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 2011 was \$27,297.50.	455,000.00
\$45,100,000 Water Revenue Bonds of 2009. Interest only payments are due in years 2012-2016. 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 2011 was \$2,319,712.50.	45,100,000.00
\$5,000,000 Loan No. 6 from State Revolving Fund of 2011. 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 2011 was \$0.	3,582,978.00
\$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 2011 was \$256,285.56.	4,085,000.00
\$10,605,000 Wastewater Refunding Bonds of 2011. Due in annual installments through 2022. Interest at 1.00 to 3.70 percent. (This issue is to be serviced by pledged Wastewater Fund revenue). Interest expense in 2011 was \$141,326.25.	10,225,000.00
\$11,675,000 Airport PFC Bonds of 2011. Due in annual installments through 2035. Interest at 2.00 to 5.50 percent. (This issue is to be serviced by pledged Airport Passenger Facility Charge revenue). Interest expense in 2011 was \$522,841.88.	11,675,000.00
\$6,000,000 Drinking Water Loan SRF 2 of 2009. Due in quarterly installments through 2031. Interest at 3.0 percent. (This issue is to be serviced by pledged Water Enterprise Fund revenues). Interest expense in 2011 was \$84,194.44.	1,949,270.00
	86,912,248.00

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	(580,800.00)
Serviced by Consolidated Construction Sales Tax Fund (22%).	<u>(705,531.18)</u>
Less unamortized deferred costs on refunding	<u>\$85,625,916.82</u>
Compensated Absences:	
Accrued Leave payable from Water Fund	165,549.02
Accrued Leave payable from Wastewater Fund	85,442.54
Accrued Leave payable from Airport Fund	140,334.11
Accrued Leave payable from Solid Waste Fund	17,617.77
Accrued Leave payable from Civic Center Fund	127,762.35
Accrued Leave payable from Non-major Enterprise Funds	<u>268,937.51</u>
	<u>\$805,643.30</u>
<u>Financing (Capital Acquisition) Leases</u>	
\$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 2011 was \$19,298.45.	\$281,732.48
\$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 2011 was \$67,679.01.	1,539,038.09
\$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 2011 was \$4,793.93.	\$96,054.40
\$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 2011 was \$11,785.22.	212,373.42
\$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 2011 was \$1,211.57.	<u>21,740.41</u>
	<u>2,150,938.80</u>
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	1,381,056.11
Other Post Employment Benefit Liabilities	<u>655,303.85</u>
Total Liabilities Payable	<u><u>\$90,618,858.88</u></u>

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	(391,468.00)
Accumulated depreciation – Golf	(20,285.92)
Accumulated depreciation – Civic Center	(93,399.83)
Accumulated depreciation – Ambulance	<u>(360,017.86)</u>
Net assets recorded under capital leases	<u>\$2,740,279.82</u>

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, 2011, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2012	2,320,025.04	4,122,622.36	524,582.18	83,752.87
2013	2,399,009.30	4,062,118.34	551,372.71	61,636.41
2014	2,456,032.63	3,988,785.92	374,767.30	39,281.51
2015	2,106,950.50	3,918,735.40	369,462.04	25,981.39
2016	1,829,894.03	3,856,196.66	330,754.57	12,337.15
2017-2021	13,944,623.75	18,029,717.38	-	-
2022-2026	17,178,364.63	14,216,432.65	-	-
2027-2031	17,690,257.59	9,899,038.12	-	-
2032-2036	16,191,334.06	5,235,125.00	-	-
2037-2041	9,509,425.29	1,024,012.50	-	-
TOTALS	<u>\$ 85,625,916.82</u>	<u>\$ 68,352,784.33</u>	<u>\$ 2,150,938.80</u>	<u>\$ 222,989.33</u>

State Revolving Fund loans paid in full during 2011 incurred interest expense of \$221,058.81. Airport PFC Bonds paid in full during 2011 incurred interest expense of \$17,741.04.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2011:

Primary Government:

Government Activities:	Liabilities			Liabilities	Due Within
	Payable 1/1/2011	Issued	Retired	Payable 12/31/2011	One Year
Leases	\$1,213,563.15	\$0	(\$271,633.82)	\$941,929.33	\$282,591.51
Revenue Bonds	33,930,287.00	0	(10,980,853.00)	22,949,434.00	8,101,399.00
Compensated Absence	1,900,906.73	126,519.82	(191,047.18)	1,836,379.37	80,000.00
TID	34,380,529.27	2,054,563.57	(3,903,915.40)	32,531,177.44	3,792,974.39
Other Post Employment Benefits	1,442,369.19	224,882.78	(0)	1,667,251.97	697,760.15
Total	<u>\$72,867,655.34</u>	<u>\$2,405,966.17</u>	<u>(\$15,347,449.40)</u>	<u>\$59,926,172.11</u>	<u>\$12,954,725.05</u>

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Business Activities:	Liabilities			Liabilities	Due Within
	Payable 1/1/2011	Issued	Retired	Payable 12/31/2011	One Year
Leases	\$2,668,978.30	\$0	(\$518,039.50)	\$2,150,938.80	\$524,582.18
Accrued Landfill Closure (Note 14)	1,334,353.73	46,702.38	-0-	1,381,056.11	-0-
Revenue Bonds Other Post	86,366,915.11	24,344,395.00	(25,085,393.29)	85,625,916.82	2,311,651.28
Employment Benefits	543,927.66	111,376.19	(0)	655,303.85	274,145.18
Compensated Absence	785,072.70	136,165.89	(115,595.29)	805,643.30	38,500.00
Total	\$91,699,247.50	\$24,638,639.46	(\$25,719,028.08)	\$90,618,858.88	\$3,148,878.64

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 bonds were repaid in full during 2011. The outstanding principal of the defeased bonds is \$0 at December 31, 2011.

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 Bonds, Series 2010. 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 \$0 at December 31, 2011. The debt for both refundings was previously recorded in the business-type activities.

In 2011, the City issued \$11,655,000 in airport revenue refunding bonds with an average rate of 6.37 percent to refund the following:

DATE ISSUED	PROJECT	AVERAGE INTEREST RATE	UNPAID PRINCIPAL AT TIME OF REFUNDING
12/1/2010	Airport improvements	6.5%	\$10,500,000.00

The City refunded the debt to reduce its total debt service payments over the next 24 years by \$2,020,328.54 and to obtain an economic gain of \$2,020,328.54.

Also in 2011, the City issued \$10,605,000 in wastewater revenue refunding bonds with an average rate of 3.0729 percent to refund the following:

DATE ISSUED	PROJECT	AVERAGE INTEREST RATE	UNPAID PRINCIPAL AT TIME OF REFUNDING
7/18/2001	Wastewater improvements	4.5%	9,587,975.95

The City refunded the debt to reduce its total debt service payments over the next 11 years by \$931,146.32 and to obtain an economic gain of \$820,303.77.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

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, 2011 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:	\$1,191,488.81	
Special Revenue Funds:		
Consolidated Construction	382,379.72	
Vision 2012 Fund	54,801.85	
Utility Facilities Fund	4,217,755.31	
TID 38 Fund		\$100,000.00
TID 39 Fund		998,710.55
TID 41 Fund		47,360.78
TID 42 Fund		3,341,403.26
TID 55 Fund		859.16
TID 56 Fund		1,378,563.40
Total Governmental Funds	<u>\$5,846,425.69</u>	<u>\$5,866,897.15</u>
Enterprise Funds:		
Water Fund	\$805,211.35	\$270,000.00
Wastewater Fund	859.16	303,000.00
Golf Course Fund	55,750.33	104,801.85
Executive Golf Fund		55,750.33
Civic Center Fund	188,709.10	
Ambulance Fund		107,797.20
Energy Plant Fund		188,709.10
Total Enterprise Funds	<u>\$1,050,529.94</u>	<u>\$1,030,058.48</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 \$53,634.68.

The General Fund loaned monies to Tax Increment District 41 and 39 Fund for infrastructure improvements. The current portion expected to be repaid to the General Fund is \$36,879.77.

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 \$42,624.70.

The Vision 2012 fund loaned monies to the Golf Course Fund to construct a pro shop. The current portion expected to be repaid to the Vision 2012 fund is \$26,602.84.

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

The Consolidated Construction Fund loaned monies to Tax Increment District 38 and 39 Funds to construct water mains. The current portion expected to be repaid to the Consolidated Construction Fund is \$107,539.88.

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 \$321,874.04.

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

The 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 \$188,709.10.

The Consolidated Construction Fund loaned monies to the Golf Fund for infrastructure improvement. The current portion expected to be repaid is \$18,761.08.

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 \$859.16.

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 \$142,006.89.

The Golf Course Fund loaned monies to the Executive Golf Fund for improvements. The current portion expected to be repaid to the Golf Course Fund is \$55,750.33.

Interfund transfers during the year ended December 31, 2011 were as follows:

	Transfers In	Transfers Out
GENERAL FUND		
Enterprise-Major		
Water	\$247,335.00	
Wastewater	154,259.00	
Solid Waste MRF/Compost	52,070.00	
Civic Center	149,866.00	
Airport		134,530.00
Enterprise-Nonmajor	59,273.00	208,856.00
Nonmajor Governmental		208,856.00
Total General Fund	<u>\$662,803.00</u>	<u>\$343,386.00</u>
OTHER GOVERNMENTAL FUNDS:		
2012 Sales Tax Fund		
Airport		\$3,500,000.00
Nonmajor Enterprise		\$134,850.00
Total 2012 Sales Tax Fund		<u>\$3,634,850.00</u>
Consolidated Construction		
Utility Facilities	1,500,000.00	
Nonmajor Enterprise		\$825,847.49
Total Consolidated Construction	<u>\$1,500,000.00</u>	<u>\$825,847.49</u>

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

Utility Facilities Fund		\$1,500,000.00	
Consolidated Construction		1,296,360.71	
Water		1,250,409.29	
Wastewater			
Total Utility Facilities Fund		<u>\$4,046,770.00</u>	
Nonmajor Governmental			
General Fund	\$208,856.00		
Total Nonmajor Governmental	<u>\$208,856.00</u>		
Total Governmental Funds	\$2,371,659.00	\$8,850,853.49	
		Transfers In	Transfers Out
ENTERPRISE FUNDS:			
Water			\$247,335.00
General			
Utility Facilities	\$1,296,360.71		
Total Water	<u>\$1,296,360.71</u>		<u>\$247,335.00</u>
Wastewater			\$154,259.00
General			
Utility Facilities	\$1,250,409.29		
Total Wastewater	<u>\$1,250,409.29</u>		<u>\$154,259.00</u>
Airport Fund			
2012 Sales Tax Fund	\$3,500,000.00		
Total Airport Fund	<u>\$3,500,000.00</u>		
Solid Waste MRF/Compost			\$52,070.00
General Fund			2,027.95
Nonmajor Enterprise			
Total Solid Waste MRF/Compost			<u>\$54,097.95</u>
Civic Center			\$149,866.00
General			
Total Civic Center			<u>\$149,866.00</u>
Nonmajor Enterprise			
General	\$134,530.00	\$59,273.00	
Consolidated Construction	825,847.49		
2012 Sales Tax Fund	134,850.00		
Solid Waste MRF/Compost	2,027.95		
Nonmajor Enterprise	11,027.95	11,027.95	
Total Nonmajor Enterprise	<u>\$1,108,283.39</u>	<u>\$70,300.95</u>	
Total Enterprise	<u>\$7,155,053.39</u>	<u>\$675,858.90</u>	
Total Transfers		<u>\$9,526,712.39</u>	<u>\$9,526,712.39</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	\$125,775.98
Motor Vehicle	21,678.77
Liquor Tax Reversion	106,900.19
Air Quality Grant	11,082.90
Historic Preservation	1,285.67
Police Grant	43,092.50
Blood Testing	7,490.00
School Liaison	6,025.80
Re-entry Program	12,150.37
Shared software costs	8,000.00
Police Reimb from other Agencies	9,413.22
Urban Mass Transit Grant	136,469.00
Transportation Planning	80,327.57
Total	<u>\$569,691.97</u>
Consolidated Construction Fund	
Reimbursement from SD DOT	\$98,088.97
Total	<u>\$98,088.97</u>
Nonmajor Governmental Funds	
RSVP Grant	\$4,247.00
Community Development Grant	9,221.29
Total	<u>\$13,468.29</u>
Total Governmental Funds	<u>\$681,249.23</u>
Airport Fund	
Airport Improvement Project	\$3,900,453.22
Total	<u>\$3,900,453.22</u>
Nonmajor Proprietary Funds	
Energy Plant – Due from RCAS	\$26,776.40
Solid Waste Disposal – Energy Grant	47.20
Parking Lot – Parking Fees	10.00
Total	<u>\$26,833.60</u>
Total Proprietary Funds	<u>\$3,927,286.82</u>
Grand Total	<u>\$4,608,536.05</u>

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 enterprise fund is presented below. The Parking Lot and Area administers the downtown parking lots, parking meters, parking ramp and fines.

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

NOTE 7. SEGMENT INFORMATION (Continued)

BALANCE SHEET

Assets	
Current Assets	\$928,144.21
Capital Assets	6,558,519.42
Total Assets	<u>\$7,486,663.63</u>
Liabilities	
Other Current Liabilities	\$119,807.20
Noncurrent Liabilities	2,184,925.23
Total Liabilities	<u>\$2,304,732.43</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	\$4,288,594.19
Restricted - Revenue Bond Retirement	278,734.82
Unrestricted	614,602.19
Total Net Assets	<u>\$5,181,931.20</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$685,134.60
Depreciation Expense	(88,349.97)
Other Operating Expenses	(455,340.40)
Operating Income	141,444.23
Investment Income	20,195.09
Interest Expense	(136,887.76)
Net Income	24,751.56
Transfers	(19,890.00)
Changes in Net Assets	4,861.56
Beginning Net Assets	5,177,069.64
Ending Net Assets	<u>\$5,181,931.20</u>

STATEMENT OF CASH FLOWS

Net Cash Provided (used) by:	
Operating Activities	\$217,019.67
Noncapital Finance Activities	(19,890.00)
Capital and Related Financing Activities	(216,318.66)
Investing Activities	7,076.55
Net Decrease	(12,112.44)
Beginning Cash and Equivalents	383,935.73
Ending Cash and Equivalents	<u>\$371,823.29</u>

NOTE 8. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

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

1. Record correction of 2010 inter-fund transfers of \$200,000.00 between TID 39 and Consolidated Construction Fund based on actual certified costs for the TID eligible project which results in no net change in net assets in the Government Activities for 2010.
2. Record correction of 2010 Due from Other Governments for \$396,141.60 in Consolidated Construction Fund due from South Dakota Department of Transportation.
3. Record correction of 2008, 2009 and 2010 Highway Safety Program Grant receivable of \$4,906,444.13 in Consolidated Construction Fund. The correction resulted in an increase in grant revenue of \$3,351,514.60, \$1,304,929.53 and \$250,000.00 for 2008, 2009 and 2010, respectively.

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

NOTE 8. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS (Continued)

4. The City combined the Repair & Demolition, Drainage, and Education Loan special revenue funds into the General Fund due to the new definition of a special revenue fund under GASB 54. The beginning fund balance has been restated for these additional funds.

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, 2011, there were 5 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 \$36,995,000.

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, 2011, 2010 and 2009 are \$2,286,131, \$2,266,781 and \$2,296,544 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 675 active participants and 149 retirees who are participating in the plan. The health plan does not issue separately stated stand-alone financial statements.

For fiscal year 2011, the City's annual OPEB cost for the retiree health insurance was \$1,307,896. The City's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended December 31, 2011, were as follows:

ARC	\$ 1,304,345
Interest on Net OPEB	79,452
Adjustment to ARC	<u>(75,901)</u>
Annual OPEB Cost	1,307,896
Contributions Made	<u>(971,637)</u>
Change in net OPEB obligation	336,259
Net OPEB obligation-beg of year	<u>1,986,297</u>
Net OPEB obligation-end of year	<u>\$ 2,322,556</u>

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
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
12/31/2011	\$1,307,896	\$971,637	74.29%	\$2,322,556

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of January 1, 2011, was as follows:

Actuarial Present Value of Future Benefits.....	<u>\$23,345,434.00</u>
Actuarial Accrued Liability.....	\$15,184,543.00
Actuarial Value of Benefit Assets.....	<u>-</u>
Unfunded Actuarial Accrued Liability.....	<u>\$15,184,543.00</u>
Funded Ratio.....	0.0%
Covered Payroll.....	\$32,354,565.48
Unfunded Actuarial Accrued Liability as a percentage Of Covered Payroll.....	46.9%

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 2011, 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
2011	8.9%
2012	8.5%
2013	8.1%
2014	7.7%
2015	7.3%
2016	6.9%
2017	6.6%
2018	6.3%
2019	6.1%
2020	6.0%
After 2020	4.7-5.8%

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, 2011, there are deficit fund balances in the following funds: TID 56 (\$1,092,850.98), TID 39 (\$998,710.27), TID 41 (\$19,523.66), and TID 42 (\$3,331,486.08), all of which will be funded through property tax revenues received on the respective tax increment district. In addition, there was a deficit fund balance in the Workers Compensation Fund (\$405,285.76), which will be funded through charges to the various departments.

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 overdrafts of the expenditures compared to appropriations as of December 31, 2011:

General – Transfers Out	\$188,856.00
Vision 2012 Fund – Culture and Recreation	32,652.50
Vision 2012 Fund – Transfers Out	134,850.00
Consolidated Construction – General Government	110,300.72
Consolidated Construction – Public Works Administration	608,931.99
Consolidated Construction – Culture and Recreation	95,488.83
Consolidated Construction – Debt Service	1,480,120.57
Consolidated Construction – Transfers Out	825,847.49
Occupancy Tax Fund – Other Expenditures	15,682.51
TID 65 – Debt Service	297,033.41
TID 50 – Debt Service	89,643.50
TID 47 – Debt Service	144,658.44
Rehabilitation – Community Development	16,138.77

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.

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.

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

NOTE 15. RISK MANAGEMENT (Continued)

The City has reserved equity in the workers compensation fund of \$(405,285.76) in the medical insurance fund of \$8,176,256.40, in the unemployment insurance fund of \$244,007.83, in the liability insurance fund of \$436,644.63, and in the dental insurance fund of \$100,444.82 for the payment of such future claims.

Changes in the aggregate liabilities of the self-insurance funds during 2011 were as follows:

	Liability Insurance	Dental Insurance	Workers Comp. Insurance	Medical Insurance	Unempl. Insurance
Benefit Claims Payable at Beginning of Year	\$460,629.87	\$7,334.40	\$1,603,202.60	\$603,791.62	\$11,073.84
Claims Incurred: Attributable to Insured Events of the Current Year	427,146.71	169,912.83	1,158,307.57	5,531,722.11	30,984.66
Claims Paid: Attributable to Insured Events of the Current and Prior Years	(549,257.89)	(404.63)	(959,377.60)	(5,610,717.95)	(42,058.50)
Benefit Claims Payable At End of Year	\$338,518.69	\$6,842.60	\$1,802,132.57	\$524,795.78	\$0.00

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 \$1,381,056.11 reported as landfill closure and postclosure care liability at December 31, 2011 represents the cumulative amount reported to date based on the issue of 30.9 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 \$3.450 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 2011. 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, 2011, cash of \$1,381,056.11 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.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 12,958,890.00	\$ 12,958,890.00	\$13,344,483.21
313 General Sales and Use Taxes	19,383,880.00	19,383,880.00	21,155,428.00
314 Gross Receipts Business Taxes	705,880.00	705,880.00	646,703.97
320 Licenses and Permits	1,421,500.00	1,686,630.08	2,891,641.15
330 Intergovernmental Revenue:			
331 Federal Grants	1,887,461.00	2,013,732.86	1,701,580.98
334 State Grants	52,425.00	449,867.00	28,425.00
335 State Shared Revenue:			
335.01 Bank Franchise Tax	110,000.00	110,000.00	100,138.73
335.03 Liquor Tax Reversion	265,000.00	265,000.00	376,901.49
335.04 Motor Vehicle Licenses (5%)	38,750.00	38,750.00	51,549.24
335.06 Fire Insurance Reversion	180,000.00	180,000.00	183,060.26
335.08 Local Government Highway and Bridge Fund	475,000.00	475,000.00	548,525.91
338 County Shared Revenue:			
338.01 County Road Tax (25%)	261,250.00	261,250.00	295,849.05
340 Charges for Goods and Services:			
341 General Government	412,702.00	412,702.00	356,402.68
342 Public Safety	512,206.00	512,206.00	1,039,130.49
343 Public Works	20,000.00	20,000.00	253,302.27
345 Health & Welfare	400,000.00	400,000.00	382,797.55
346 Culture and Recreation	1,274,105.00	1,274,105.00	1,569,496.10
349 Conservation & Development	337,000.00	337,000.00	-
350 Fines and Forfeits:			
351 Court Fines and Costs	50,000.00	50,000.00	18,107.81
360 Miscellaneous Revenue:			
361 Interest Earnings	288,431.00	288,431.00	613,119.99
362 Rentals	75,000.00	75,000.00	128,023.98
363 Special Assessments	-	-	50,671.94
367 Contributions and Donations	-	-	3,784.01
369 Other	275,000.00	285,250.00	27,207.16
Total Revenue	<u>41,384,480.00</u>	<u>42,183,573.94</u>	<u>45,766,330.97</u>
Expenditures:			
410 General Government:			
411 Contingency	200,000.00	200,000.00	-
Transferred		(125,300.00)	-
412 Executive-Mayor & Council	549,271.00	560,384.26	440,602.22
414 Financial - Community Resources	347,264.00	371,833.10	340,058.94
414 Financial - Finance	676,892.00	742,291.42	729,640.25
414 Financial - Attorney	46,989.00	48,965.09	11,019.96
419 Other - Government Bldgs	826,339.00	826,339.00	792,218.57
420 Public Safety:			
421 Police	11,878,235.00	12,102,667.47	11,793,617.42
422 Fire	7,681,721.00	7,985,902.55	7,923,108.89
429 Other Protection-Corrections	48,000.00	48,000.00	47,797.13
429 Other Protection-Code Enforcement	197,630.00	203,243.99	198,186.69
429 Other Protection-Comm Dev - Nongrant	20,685.00	21,885.00	21,197.45
430 Other Protection-Re-entry Program	177,719.00	177,888.92	42,130.49

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
429 Other Protection-Emergency Mgt	86,451.00	86,451.00	86,451.00
430 Public Works:			
431 Highways and Streets	5,140,005.00	5,701,353.05	5,016,095.11
43x Administration	537,270.00	551,347.52	271,847.55
440 Health and Welfare:			
441 Health	438,000.00	438,000.00	420,773.85
444 Humane Society	242,018.00	278,318.00	278,318.00
449 Other - Public Transit	1,688,570.00	1,871,274.79	1,772,009.12
449 Other - Air Quality	75,587.00	77,901.24	64,327.84
450 Culture and Recreation:			
451 Recreation	390,610.00	383,983.06	358,995.26
451 Swimming Pools	1,565,910.00	1,567,999.47	1,528,208.44
451 Ice Arena	603,944.00	628,764.31	624,057.30
452 Parks	2,078,896.00	2,132,648.41	2,051,649.80
455 Libraries	2,617,494.00	3,090,982.02	2,960,966.24
457 Historic Preservation	10,000.00	23,618.33	8,128.11
459 Other - Parks & Recreation Admin	205,435.00	190,593.44	182,151.52
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	1,627,676.00	1,675,912.49	1,479,597.93
465 Transportation Planning	464,131.00	694,880.17	324,842.62
465 GIS Information System	70,618.00	89,427.46	85,583.86
470 Debt Service	123,552.00	123,552.00	121,551.68
485 Capital Outlay	1,033,509.00	1,033,509.00	1,033,507.43
490 Miscellaneous:			
492 Other Expenditures	31,862.74	-	7,773.24
Total Expenditures	<u>42,340,283.74</u>	<u>44,462,616.56</u>	<u>41,674,413.91</u>
Excess of Revenue Over (Under) Expenditures	<u>(955,803.74)</u>	<u>(2,279,042.62)</u>	<u>4,091,917.06</u>
Other Financing Sources (Uses):			
391.01 Transfers In	662,803.00	662,803.00	662,803.00
511 Transfers Out	(134,530.00)	(154,530.00)	(343,386.00)
391.03 Sale of Municipal Property	50,000.00	50,000.00	4,323.00
Total Other Financing Sources (Uses)	<u>578,273.00</u>	<u>558,273.00</u>	<u>323,740.00</u>
Net Change in Fund Balances	(377,530.74)	(1,720,769.62)	4,415,657.06
Fund Balance - Beginning	13,449,458.09	13,449,458.09	13,449,458.09
FUND BALANCE- ENDING	<u><u>\$13,071,927.35</u></u>	<u><u>\$11,728,688.47</u></u>	<u><u>\$17,865,115.15</u></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, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 7,009,985.00	\$ 7,009,985.00	\$ 10,577,713.96
360 Miscellaneous Revenue:		-	
361 Interest Earnings	-	-	611,365.64
Total Revenue	<u>7,009,985.00</u>	<u>7,009,985.00</u>	<u>11,189,079.60</u>
Expenditures:			
410 General Government			
419 Other - Government Buildings	-	1,680.00	-
430 Public Works:			
431 Highways and Streets	-	1,797.93	(220,492.58)
43x Administration	276,910.00	276,910.00	-
450 Culture and Recreation			
451 Recreation	-	-	13,383.35
459 Other - Parks & Rec Administration	-	-	19,269.15
460 Conservation & Development			
465 Economic Development	-	855,489.00	329,126.16
470 Debt Service	6,723,075.00	6,723,075.00	6,723,075.00
485 Capital Outlay	-	15,101,552.78	9,170,473.35
490 Miscellaneous			
492 Other Expenditures	10,000.00	10,000.00	8,895.77
Total Expenditures	<u>7,009,985.00</u>	<u>22,970,504.71</u>	<u>16,043,730.20</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(15,960,519.71)</u>	<u>(4,854,650.60)</u>
Other Financing Sources (Uses):			
511 Transfers Out	-	(3,500,000.00)	(3,634,850.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,500,000.00)</u>	<u>(3,634,850.00)</u>
Net Change in Fund Balances	-	(19,460,519.71)	(8,489,500.60)
Fund Balance - Beginning	22,406,530.14	22,406,530.14	22,406,530.14
FUND BALANCE- ENDING	<u><u>\$ 22,406,530.14</u></u>	<u><u>\$ 2,946,010.43</u></u>	<u><u>\$ 13,917,029.54</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, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,809,235.00	\$ 9,809,235.00	\$ 10,577,713.96
330 Intergovernmental Revenue:			
331 Federal Grants	-	995,635.41	194,372.83
334 State Grants	-	-	398,483.53
340 Charges for Goods and Services:			
341 General Government	-	-	14,598.01
343 Public Works	737,206.00	737,206.00	38,206.76
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	455,598.74
367 Contributions and Donations	-	-	20,000.00
369 Other	-	-	13,321.14
Total Revenue	<u>10,546,441.00</u>	<u>11,542,076.41</u>	<u>11,712,294.97</u>
Expenditures:			
410 General Government:			
414 Financial - Community Resources	-	-	88,628.84
419 Other - Government Bldgs	-	16,796.20	38,468.08
430 Public Works:			
43x Administration	1,259,417.00	1,259,417.00	1,868,348.99
450 Culture & Recreations			
452 Parks	-	4,236.00	-
459 Other - Parks & Rec Administration	-	-	99,724.83
470 Debt Service	2,006,308.00	2,006,308.00	3,486,428.57
485 Capital Outlay	8,258,315.00	19,769,869.45	9,295,283.92
490 Miscellaneous			
492 Other Expenditures	355,000.00	393,696.11	4,499.53
Total Expenditures	<u>11,879,040.00</u>	<u>23,450,322.76</u>	<u>14,881,382.76</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,332,599.00)</u>	<u>(11,908,246.35)</u>	<u>(3,169,087.79)</u>
Other Financing Sources (Uses):			
391.01 Transfers In	-	1,500,000.00	1,500,000.00
511 Transfers Out	-	-	(825,847.49)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,500,000.00</u>	<u>674,152.51</u>
Net Change in Fund Balances	(1,332,599.00)	(10,408,246.35)	(2,494,935.28)
Fund Balance - Beginning	11,798,260.67	11,798,260.67	11,798,260.67
Prior Period Adjustment (Note 8)	-	-	4,710,302.53
FUND BALANCE- ENDING	<u>\$ 10,465,661.67</u>	<u>\$ 1,390,014.32</u>	<u>\$ 14,013,627.92</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, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 1,869,774.00	\$ 1,869,774.00	\$ 3,679,204.85
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	505,462.42
Total Revenue	<u>1,869,774.00</u>	<u>1,869,774.00</u>	<u>4,184,667.27</u>
Expenditures:			
470 Debt Service	1,869,774.00	1,869,774.00	1,637,937.89
490 Other Expenditures	-	5,000.00	3,063.38
Total Expenditures	<u>1,869,774.00</u>	<u>1,874,774.00</u>	<u>1,641,001.27</u>
Excess of Revenue Over (Under) Expenditures	-	(5,000.00)	2,543,666.00
Other Financing Sources (Uses):			
511 Transfers Out	-	(4,046,770.00)	(4,046,770.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,046,770.00)</u>	<u>(4,046,770.00)</u>
Net Change in Fund Balances	-	(4,051,770.00)	(1,503,104.00)
Fund Balance - Beginning	16,225,120.43	16,225,120.43	16,225,120.43
FUND BALANCE- ENDING	<u>\$ 16,225,120.43</u>	<u>\$ 12,173,350.43</u>	<u>\$ 14,722,016.43</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

Note 1. 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:			
Transfers Out	\$154,530.00	\$343,386.00	\$188,856.00
Vision 2012 Fund:			
Culture and Recreation	\$0	\$32,652.50	\$32,652.50
Transfers Out	\$3,500,000.00	\$3,634,850.00	\$134,850.00
Consolidated Construction Fund:			
General Government	\$16,796.20	\$127,096.92	\$110,300.72
Public Works Administration	\$1,259,417.00	\$1,868,348.99	\$608,931.99
Culture and Recreation	\$4,236.00	\$99,724.83	\$95,488.83
Debt Service	\$2,006,308.00	\$3,486,428.57	\$1,480,120.57
Transfers Out	\$0	\$825,847.49	\$825,847.49

CITY OF RAPID CITY
SCHEDULE OF FUNDING PROGRESS
FOR RETIREE HEALTH INSURANCE COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2011

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)
12/31/2009	\$ -	\$ 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%
12/31/2011	\$ -	\$ 15,184,543	\$ 15,184,543	0.0%	\$ 32,354,565	46.9%

**OTHER
SUPPLEMENTARY
INFORMATION**

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	TID 33 Fund	Occupancy Tax Fund	Downtown BID Tax Fund	Erosion/ Sediment Control Fund	TID 66 Fund	TID 67 Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 5.27	\$ 76,261.72	\$ 162,745.10	\$ 69,747.59	\$ 186.19	\$ 22,592.82
102 Restricted Cash	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-
110 Property Tax Receivable	-	-	-	-	-	-
115 Accounts Receivable, Net	-	65,812.00	-	-	-	-
121 Special Assessments Receivable--Current	-	-	1,344.00	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	15,501.00	-	-	-
132 Due from Other Government	-	-	-	-	0.12	15.02
135 Interest Receivable	-	51.50	735.94	-	-	-
TOTAL ASSETS	\$ 5.27	\$ 142,125.22	\$ 180,326.04	\$ 69,747.59	\$ 186.31	\$ 22,607.84
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	\$ -	\$ 127,516.07	\$ 159,546.58	\$ 621.66	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	-
209 Advance from Other Funds	-	-	-	1,954.69	-	-
2xx Wages Payable	-	881.71	-	-	-	-
224 Deferred Revenue	-	-	19,206.00	-	-	-
Total Liabilities	-	128,397.78	178,752.58	2,576.35	-	-
Fund Balances:						
263 Nonspendable						
263.51 Perpetual Care Cemetery	-	-	-	-	-	-
264 Restricted for:						
264.01 Debt Service	5.27	-	-	-	186.31	22,607.84
264.03 Cemetery Perpetual Care	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-
264.09 Business Improvement District	-	13,727.44	1,573.46	-	-	-
264.97 Grant	-	-	-	-	-	-
265 Committed to:						
265.99 Erosion/Sediment Control	-	-	-	67,171.24	-	-
266 Assigned to:						
267 Unassigned	-	-	-	-	-	-
Total Fund Balances	5.27	13,727.44	1,573.46	67,171.24	186.31	22,607.84
TOTAL LIABILITIES AND FUND BALANCES	\$ 5.27	\$ 142,125.22	\$ 180,326.04	\$ 69,747.59	\$ 186.31	\$ 22,607.84

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	TID 70 Fund	TID 68 Fund	TID 65 Fund	TID 62 Fund	TID 61 Fund	TID 63 Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 172,910.78	\$ 62,999.77	\$ 23,086.92	\$ 373,156.63	\$ 204.17	\$ 46.97
102 Restricted Cash	-	-	-	-	-	-
151 Investments	-	-	-	-	14,890.17	6,886.11
110 Property Tax Receivable	6,286.61	-	-	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	0.14	0.03
135 Interest Receivable	117.06	41.89	15.35	248.12	-	-
TOTAL ASSETS	<u>\$ 179,314.45</u>	<u>\$ 63,041.66</u>	<u>\$ 23,102.27</u>	<u>\$ 373,404.75</u>	<u>\$ 15,094.48</u>	<u>\$ 6,933.11</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	-
209 Advance from Other Funds	-	-	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-
224 Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
263 Nonspendable						
263.51 Perpetual Care Cemetery	-	-	-	-	-	-
264 Restricted for:						
264.01 Debt Service	179,314.45	63,041.66	23,102.27	373,404.75	15,094.48	6,933.11
264.03 Cemetery Perpetual Care	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-
265 Committed to:						
265.99 Erosion/Sediment Control	-	-	-	-	-	-
266 Assigned to:						
267 Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>179,314.45</u>	<u>63,041.66</u>	<u>23,102.27</u>	<u>373,404.75</u>	<u>15,094.48</u>	<u>6,933.11</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 179,314.45</u>	<u>\$ 63,041.66</u>	<u>\$ 23,102.27</u>	<u>\$ 373,404.75</u>	<u>\$ 15,094.48</u>	<u>\$ 6,933.11</u>

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	TID 59 Fund	TID 29 Fund	TID 55 Fund	TID 56 Fund	TID 54 Fund	TID 44 Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 0.40	\$ 2,169.88	\$ 368.24	\$ 75,017.10	\$ 57,096.18	\$ 386.22
102 Restricted Cash	-	-	-	-	-	-
151 Investments	-	-	14,423.71	7,834.00	14,385.94	17,905.51
110 Property Tax Receivable	-	-	-	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	0.26
135 Interest Receivable	-	1.44	2.65	49.88	38.16	-
TOTAL ASSETS	<u>\$ 0.40</u>	<u>\$ 2,171.32</u>	<u>\$ 14,794.60</u>	<u>\$ 82,900.98</u>	<u>\$ 71,520.28</u>	<u>\$ 18,291.99</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	859.16	134,941.96	-	-
209 Advance from Other Funds	-	-	-	1,243,621.44	-	-
2xx Wages Payable	-	-	5,175.18	-	8,928.54	-
224 Deferred Revenue	-	-	-	-	8,928.54	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,034.34</u>	<u>1,378,563.40</u>	<u>8,928.54</u>	<u>-</u>
Fund Balances:						
263 Nonspendable	-	-	-	-	-	-
263.51 Perpetual Care Cemetery	-	-	-	-	-	-
264 Restricted for:						
264.01 Debt Service	0.40	2,171.32	8,760.26	-	62,591.74	18,291.99
264.03 Cemetery Perpetual Care	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-
265 Committed to:						
265.99 Erosion/Sediment Control	-	-	-	-	-	-
266 Assigned to:						
267 Unassigned	-	-	-	(1,295,662.42)	-	-
Total Fund Balances	<u>0.40</u>	<u>2,171.32</u>	<u>8,760.26</u>	<u>(1,295,662.42)</u>	<u>62,591.74</u>	<u>18,291.99</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.40</u>	<u>\$ 2,171.32</u>	<u>\$ 14,794.60</u>	<u>\$ 82,900.98</u>	<u>\$ 71,520.28</u>	<u>\$ 18,291.99</u>

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	TID 50 Fund	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund	TID 38 Fund	TID 39 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 60.18	\$ 17.77	\$ 173,014.44	\$ 21.98	\$ 74.24	\$ 185,443.65	\$ 0.28
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	10,911.50	-	77,401.52	-	-	43,522.02	-
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	0.04	0.01	139.97	0.02	0.05	124.84	-
TOTAL ASSETS	\$ 10,971.72	\$ 17.78	\$ 250,555.93	\$ 22.00	\$ 74.29	\$ 229,090.51	\$ 0.28
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	-	39,683.57
209 Advance from Other Funds	-	-	-	-	-	100,000.00	959,026.98
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	-	-	2,440.14	-	-	1,441.39	-
Total Liabilities	-	-	2,440.14	-	-	101,441.39	998,710.55
Fund Balances:							
263 Nonspendable							
263.51 Perpetual Care Cemetery	-	-	-	-	-	-	-
264 Restricted for:							
264.01 Debt Service	10,971.72	17.78	248,115.79	22.00	74.29	127,649.12	-
264.03 Cemetery Perpetual Care	-	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-	-
265 Committed to:							
265.99 Erosion/Sediment Control	-	-	-	-	-	-	-
266 Assigned to:							
267 Unassigned	-	-	-	-	-	-	(998,710.27)
Total Fund Balances	10,971.72	17.78	248,115.79	22.00	74.29	127,649.12	(998,710.27)
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,971.72	\$ 17.78	\$ 250,555.93	\$ 22.00	\$ 74.29	\$ 229,090.51	\$ 0.28

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	TID 40 Fund	TID 41 Fund	TID 42 Fund	Community Development Fund	Rehabilitation Loan/Grant Fund	Cemetery Perpetual Care Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 27.46	\$ 9,440.24	\$ 258.67	\$ -	\$ -	\$ 9,194.82
102 Restricted Cash	-	-	-	1,656.39	72,872.25	-
151 Investments	-	-	-	-	-	48,229.16
110 Property Tax Receivable	-	18,390.60	22,181.10	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	318.35
121 Special Assessments Receivable--Current	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-
132 Due from Other Government	-	-	-	9,221.29	-	-
135 Interest Receivable	0.02	6.28	0.17	-	-	-
TOTAL ASSETS	\$ 27.48	\$ 27,837.12	\$ 22,439.94	\$ 10,877.68	\$ 72,872.25	\$ 57,742.33
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	\$ -	\$ -	\$ -	\$ 5,812.03	\$ -	\$ -
208 Due to Other Funds	-	47,360.78	328,938.97	-	-	-
209 Advance from Other Funds	-	-	3,012,464.29	-	-	-
2xx Wages Payable	-	-	-	5,065.65	-	-
224 Deferred Revenue	-	-	12,522.76	-	-	-
Total Liabilities	-	47,360.78	3,353,926.02	10,877.68	-	-
Fund Balances:						
263 Nonspendable	-	-	-	-	-	50,000.00
263.51 Perpetual Care Cemetery	-	-	-	-	-	-
264 Restricted for:						
264.01 Debt Service	27.48	-	-	-	-	7,742.33
264.03 Cemetery Perpetual Care	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-
264.97 Grant	-	-	-	-	72,872.25	-
265 Committed to:						
265.99 Erosion/Sediment Control	-	-	-	-	-	-
266 Assigned to:						
267 Unassigned	-	(19,523.66)	(3,331,486.08)	-	-	-
Total Fund Balances	27.48	(19,523.66)	(3,331,486.08)	-	72,872.25	57,742.33
TOTAL LIABILITIES AND FUND BALANCES	\$ 27.48	\$ 27,837.12	\$ 22,439.94	\$ 10,877.68	\$ 72,872.25	\$ 57,742.33

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Retired Senior Volunteer Fund	TID 35 Fund	TID 69 Fund	Library Board Fund	Total Nonmajor Governmental Funds
ASSETS:					
101 Cash and Cash Equivalents	\$ 25.00	\$ 25.51	\$ 132,998.73	\$ 800.00	\$ 1,610,384.92
102 Restricted Cash	4,431.70	-	-	76,200.16	155,160.50
151 Investments	-	-	-	-	48,229.16
110 Property Tax Receivable	-	50,969.96	-	-	305,988.75
115 Accounts Receivable, Net	-	-	-	-	66,130.35
121 Special Assessments Receivable--Current	-	-	-	-	1,344.00
122 Special Assessments Receivable--Delinquent	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	15,501.00
132 Due from Other Government	4,247.00	-	-	-	13,468.29
135 Interest Receivable	-	8.97	88.44	-	1,686.37
TOTAL ASSETS	<u>\$ 8,703.70</u>	<u>\$ 51,004.44</u>	<u>\$ 133,087.17</u>	<u>\$ 77,000.16</u>	<u>\$ 2,217,893.34</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
201 Claims Payable	\$ 329.28	\$ -	\$ -	\$ 10,589.37	\$ 304,414.99
208 Due to Other Funds	-	-	-	-	551,784.44
209 Advance from Other Funds	-	-	-	-	5,315,112.71
2xx Wages Payable	4,511.01	-	-	993.41	13,406.47
224 Deferred Revenue	-	-	-	-	49,714.01
Total Liabilities	<u>4,840.29</u>	<u>-</u>	<u>-</u>	<u>11,582.78</u>	<u>6,234,432.62</u>
Fund Balances:					
263 Nonspendable	-	-	-	-	50,000.00
263.51 Perpetual Care Cemetery	-	-	-	-	-
264 Restricted for:					
264.01 Debt Service	-	51,004.44	133,087.17	-	1,346,475.64
264.03 Cemetery Perpetual Care	-	-	-	-	7,742.33
264.05 Library	-	-	-	65,417.38	65,417.38
264.09 Business Improvement District	-	-	-	-	15,300.90
264.97 Grant	3,863.41	-	-	-	76,735.66
265 Committed to:					
265.99 Erosion/Sediment Control	-	-	-	-	67,171.24
266 Assigned to:					
267 Unassigned	-	-	-	-	(5,645,382.43)
Total Fund Balances	<u>3,863.41</u>	<u>51,004.44</u>	<u>133,087.17</u>	<u>65,417.38</u>	<u>(4,016,539.28)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,703.70</u>	<u>\$ 51,004.44</u>	<u>\$ 133,087.17</u>	<u>\$ 77,000.16</u>	<u>\$ 2,217,893.34</u>

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	TID 33 Fund	Occupancy Tax Fund	Downtown BID Fund	Erosion/ Sediment Control Fund	TID 66 Fund	TID 67 Fund	TID 70 Fund	TID 68 Fund	TID 65 Fund
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ 44,762.09	\$ -	\$ -	\$ -	\$ 185.00	\$ 14,527.46	\$ 66,466.65	\$ 66,385.62	\$ 36,589.02
314 Occupancy Tax	-	1,283,355.15	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:									
341 General Government	-	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	39,850.00	-	-	-	-	-
350 Fines and Forfeitures									
354 Library	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:									
361 Investment Earnings	8.14	2,577.09	2,346.03	-	1.31	260.80	2,569.74	271.65	271.40
363 Special Assessments	-	-	160,064.00	-	-	-	-	-	-
367 Contributions and Donations	1,669.91	-	-	-	-	-	-	-	-
Total Revenue	46,440.14	1,285,932.24	162,410.03	39,850.00	186.31	14,788.26	69,036.39	66,657.27	36,860.42
Expenditures:									
420 Public Safety:									
421 Police	-	-	-	-	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	-	-	-	51,749.27	-	-	-	26,394.90	333,881.11
470 Debt Service	46,437.64	-	-	-	-	-	-	443,932.40	-
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous									
492 Other Expenditures	-	1,288,585.61	170,246.82	-	-	-	-	470,327.30	333,881.11
Total Expenditures	46,437.64	1,288,585.61	170,246.82	51,749.27	-	-	-	470,327.30	333,881.11
Excess of Revenue Over (Under) Expenditures	2.50	(2,653.37)	(7,836.79)	(11,899.27)	186.31	14,788.26	69,036.39	(403,670.03)	(297,020.69)
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	-	-	-	460,201.74	313,869.26
391.02 Long-term debt issued	-	-	-	-	-	-	-	460,201.74	313,869.26
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	460,201.74	313,869.26
Net Change in Fund Balances	2.50	(2,653.37)	(7,836.79)	(11,899.27)	186.31	14,788.26	69,036.39	56,531.71	16,848.57
Fund Balance - Beginning	2.77	16,380.81	9,410.25	79,070.51	-	7,819.58	110,278.06	6,509.95	6,253.70
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
FUND BALANCE- ENDING	\$ 5.27	\$ 13,727.44	\$ 1,573.46	\$ 67,171.24	\$ 186.31	\$ 22,607.84	\$ 179,314.45	\$ 63,041.66	\$ 23,102.27

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	TID 62 Fund	TID 61 Fund	TID 63 Fund	TID 59 Fund	TID 29 Fund	TID 55 Fund	TID 56 Fund	TID 54 Fund	TID 44 Fund
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ 166,529.25	\$ 342,249.30	\$ 115,177.91	\$ -	\$ -	\$ 712,545.30	\$ 1,908,637.35	\$ 270,527.52	\$ 1,131,984.13
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	4,984.11	200.60	58.86	6.06	39.86	372.20	2,577.10	221.51	386.63
363 Special Assessments	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	<u>171,513.36</u>	<u>342,449.90</u>	<u>115,236.77</u>	<u>6.06</u>	<u>39.86</u>	<u>712,917.50</u>	<u>1,911,214.45</u>	<u>270,749.03</u>	<u>1,132,370.76</u>
Expenditures:									
420 Public Safety:									
421 Police	-	-	-	-	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	-	327,359.13	115,581.12	1,236.76	-	34,143.31	1,685,390.89	234,066.14	1,174,175.26
470 Debt Service	-	-	-	-	-	-	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>327,359.13</u>	<u>115,581.12</u>	<u>1,236.76</u>	<u>-</u>	<u>34,143.31</u>	<u>1,685,390.89</u>	<u>234,066.14</u>	<u>1,174,175.26</u>
Excess of Revenue Over (Under) Expenditures	171,513.36	15,090.77	(344.35)	(1,230.70)	39.86	678,774.19	225,823.56	36,682.89	(41,804.50)
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>171,513.36</u>	<u>15,090.77</u>	<u>(344.35)</u>	<u>(1,230.70)</u>	<u>39.86</u>	<u>678,774.19</u>	<u>225,823.56</u>	<u>36,682.89</u>	<u>(41,804.50)</u>
Fund Balance - Beginning	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
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
FUND BALANCE- ENDING	<u>\$ 373,404.75</u>	<u>\$ 15,094.48</u>	<u>\$ 6,933.11</u>	<u>\$ 0.40</u>	<u>\$ 2,171.32</u>	<u>\$ 8,760.26</u>	<u>\$ (1,295,662.42)</u>	<u>\$ 62,591.74</u>	<u>\$ 18,291.99</u>

CITY OF RAPID CITY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	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
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ 20,310.11	\$ -	\$ -	\$ 246,923.55	\$ 19,336.42	\$ 27,699.26	\$ 939,068.43	\$ 114,793.56	\$ 120,161.67
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	-	-	-	562.98	6,290.85	363.35	1,162.72	147.59	73.82
363 Special Assessments	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	20,310.11	-	-	247,486.53	25,627.27	28,062.61	940,231.15	114,941.15	120,235.49
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	75,552.86	317.26	5.63	411,531.08	838,827.70	91,005.93	346,572.60	116,279.45	265,227.19
485 Capital Outlay	-	-	-	-	-	456,833.83	-	-	-
490 Miscellaneous									
492 Other Expenditures	-	-	-	-	-	-	-	-	-
Total Expenditures	75,552.86	317.26	5.63	411,531.08	838,827.70	547,839.76	346,572.60	116,279.45	265,227.19
Excess of Revenue Over (Under) Expenditures	(55,242.75)	(317.26)	(5.63)	(164,044.55)	(813,200.43)	(519,777.15)	593,658.55	(1,338.30)	(144,991.70)
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	188,856.00	-	-	-	-
391.02 Long-term debt issued	-	-	-	90,639.83	-	454,783.83	-	-	144,731.12
Total Other Financing Sources (Uses)	-	-	-	90,639.83	188,856.00	454,783.83	-	-	144,731.12
Net Change in Fund Balances	(55,242.75)	(317.26)	(5.63)	(73,404.72)	(624,344.43)	(64,993.32)	593,658.55	(1,338.30)	(260.58)
Fund Balance - Beginning	55,242.75	317.26	5.63	84,376.44	624,344.43	65,011.10	(345,542.76)	1,360.30	334.87
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
FUND BALANCE- ENDING	\$ -	\$ 0.00	\$ 0.00	\$ 10,971.72	\$ -	\$ 17.78	\$ 248,115.79	\$ 22.00	\$ 74.29

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	TID 36 Fund	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
Revenues:									
310 Taxes:									
311 General Property Taxes	\$ -	\$ 566,752.03	\$ 136,984.21	\$ 80,999.56	\$ 823,656.38	\$ 521,845.80	\$ -	\$ -	\$ -
314 Occupancy Tax	-	-	-	-	-	-	-	722,832.36	18,675.55
331 Federal Grants	-	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:									
341 General Government	-	-	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-	11,152.40	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-	-
350 Fines and Forfeitures	-	-	-	-	-	-	-	-	-
354 Library	-	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:									
361 Investment Earnings	-	3,299.12	142.79	27.50	1,803.69	330.35	-	-	-
363 Special Assessments	-	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-	-
Total Revenue	-	570,051.15	137,127.00	81,027.06	825,460.07	522,176.15	-	733,984.76	18,675.55
Expenditures:									
420 Public Safety:									
421 Police	-	-	-	-	-	-	-	-	-
450 Culture and Recreation:									
455 Libraries	-	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-
460 Conservation and Development:									
463 Community Development	360,546.43	432,296.62	117,761.88	81,001.62	1,136,198.41	213,300.55	357,467.09	-	-
470 Debt Service	-	-	-	-	-	-	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-	-
Total Expenditures	360,546.43	432,296.62	117,761.88	81,001.62	1,136,198.41	213,300.55	357,467.09	733,984.76	18,675.55
Excess of Revenue Over (Under) Expenditures	(360,546.43)	137,754.53	19,365.12	25.44	(310,738.34)	308,875.60	(357,467.09)	-	-
Other Financing Sources (Uses):									
391.01 Transfers In	-	-	-	-	590,337.79	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	590,337.79	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	1,180,675.58	-	-	-	-
Net Change in Fund Balances	(360,546.43)	137,754.53	19,365.12	25.44	279,599.45	308,875.60	(357,467.09)	-	-
Fund Balance - Beginning	360,546.43	(10,105.41)	(818,075.39)	2.04	(299,123.11)	(3,640,361.68)	357,467.09	-	-
Prior Period Adjustment	-	-	(200,000.00)	-	-	-	-	-	-
FUND BALANCE- ENDING	\$ 0.00	\$ 127,649.12	\$ (998,710.27)	\$ 27.48	\$ (19,523.66)	\$ (3,331,486.08)	\$ 0.00	\$ -	\$ -

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Rehab Loan/Grant Fund	Cemetery Perpetual Care Fund	Retired Senior Volunteer Fund	TID 35 Fund	TID 69 Fund	Library Board Fund	Total Nonmajor Governmental Funds
Revenues:							
310 Taxes:							
311 General Property Taxes	\$ -	\$ -	\$ -	\$ 85,947.54	\$ 131,755.25	\$ -	\$ 8,712,800.37
314 Occupancy Tax	-	-	-	-	-	-	1,283,355.15
331 Federal Grants	-	-	40,590.12	-	-	-	782,098.03
340 Charges for Goods and Services:							
341 General Government	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-
348 Cemetery	-	3,127.88	-	-	-	-	3,127.88
349 Other-Conservation & Development	31,124.49	-	-	-	-	-	82,126.89
350 Fines and Forfeitures							
354 Library	-	-	-	-	-	115,229.65	115,229.65
360 Miscellaneous Revenue:							
361 Investment Earnings	2.16	-	-	33.64	1,331.92	80.68	32,806.25
363 Special Assessments	-	-	-	-	-	-	160,064.00
367 Contributions and Donations	-	-	37,177.56	-	-	-	38,847.47
Total Revenue	31,126.65	3,127.88	77,767.68	85,981.18	133,087.17	115,310.33	11,210,455.69
Expenditures:							
420 Public Safety:							
421 Police	-	-	-	-	-	-	-
450 Culture and Recreation:							
455 Libraries	-	-	-	-	-	120,253.83	120,253.83
Retired Senior Volunteers	-	-	98,618.46	-	-	-	98,618.46
Cemetery	-	236.00	-	-	-	-	236.00
460 Conservation and Development:							
463 Community Development	16,138.77	-	-	-	-	-	820,548.35
470 Debt Service	-	-	-	60,925.56	-	-	8,883,484.12
485 Capital Outlay	-	-	-	-	-	-	900,766.23
490 Miscellaneous	-	-	-	-	-	-	1,458,832.43
492 Other Expenditures	-	-	-	-	-	-	-
Total Expenditures	16,138.77	236.00	98,618.46	60,925.56	-	120,253.83	12,282,739.42
Excess of Revenue Over (Under) Expenditures	14,987.88	2,891.88	(20,850.78)	25,055.62	133,087.17	(4,943.50)	(1,072,283.73)
Other Financing Sources (Uses):							
391.01 Transfers In	-	-	20,000.00	-	-	-	208,856.00
391.02 Long-term debt issued	-	-	-	-	-	-	2,054,563.57
Total Other Financing Sources (Uses)	-	-	20,000.00	-	-	-	2,263,419.57
Net Change in Fund Balances	14,987.88	2,891.88	(850.78)	25,055.62	133,087.17	(4,943.50)	1,191,135.84
Fund Balance - Beginning	57,884.37	54,850.45	4,714.19	25,948.82	-	70,360.88	(5,007,675.12)
Prior Period Adjustment	-	-	-	-	-	-	(200,000.00)
FUND BALANCE- ENDING	\$ 72,872.25	\$ 57,742.33	\$ 3,863.41	\$ 51,004.44	\$ 133,087.17	\$ 65,417.38	\$ (4,016,539.28)

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**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUND
DECEMBER 31, 2011**

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
ASSETS:				
Current Assets:				
101 Cash and Cash Equivalents	\$ 1,998,386.55	\$ 855,990.37	\$ -	\$ 56,266.45
106 Cash with Fiscal Agent	-	-	-	-
107 Restricted Cash	-	1,381,056.11	-	-
151 Investments	-	4,025,181.72	-	25,444.54
115 Accounts Receivable	289,525.24	328,268.55	-	16,637.59
116 Estimated Uncollectable Accounts Receivable	(12,000.00)	(38,000.00)	-	-
131 Due from Other Funds	-	-	-	-
132 Due from Other Governments	-	47.20	-	-
135 Interest Receivable	1,312.93	4,147.80	11.83	95.95
155 Prepaid Expenses	-	-	-	-
Total Current Assets	<u>2,277,224.72</u>	<u>6,556,691.75</u>	<u>11.83</u>	<u>98,444.53</u>
Noncurrent Assets:				
Capital Assets:				
160 Land	138,430.38	1,956,982.84	596,356.14	24,151.00
162 Buildings	-	393,011.33	180,240.34	22,954.01
164 Improvements Other than Bldg	712,088.86	2,465,414.35	1,128,679.93	657,413.70
164 Furniture & Equipment	-	1,099,528.35	77,409.00	115,966.12
166 Machinery and Equipment	3,415,162.73	2,281,438.00	6,449.00	118,775.82
168 Construction Work in Progress	-	-	-	-
Less: Accumulated Depreciation	<u>(1,706,866.93)</u>	<u>(2,630,299.48)</u>	<u>(796,768.47)</u>	<u>(513,354.56)</u>
Total Noncurrent Assets	<u>2,558,815.04</u>	<u>5,566,075.39</u>	<u>1,192,365.94</u>	<u>425,906.09</u>
TOTAL ASSETS	<u><u>\$ 4,836,039.76</u></u>	<u><u>\$ 12,122,767.14</u></u>	<u><u>\$ 1,192,377.77</u></u>	<u><u>\$ 524,350.62</u></u>
LIABILITIES:				
Current Liabilities:				
202 Accounts Payable	\$ 185,155.86	101,376.01	\$ 1,235.45	\$ 3,443.85
208 Due to Other Funds	-	-	55,750.33	-
215 Accrued Interest Payable	-	2,673.71	-	-
2xx Wages Payable	34,872.51	22,133.08	3,408.35	6,989.19
226 OPEB Current Obligations	15,362.20	9,592.21	1,967.84	3,043.13
226 Bonds Payable Current:	-	-	-	-
226 Capital Lease Payable Current	285,685.59	-	-	-
230 Compensated Absences Payable -- Current	3,500.00	-	-	-
Total Current Liabilities	<u>524,576.16</u>	<u>135,775.01</u>	<u>62,361.97</u>	<u>13,476.17</u>
Noncurrent Liabilities:				
209 Advance from Other Funds	-	-	-	-
231 OPEB Long-Term Obligations	21,358.89	13,336.56	2,735.99	4,231.03
231 Bonds Payable:	-	-	-	-
231 Capital Lease Payable	1,253,352.50	-	-	-
233 Accrued Leave Payable	42,384.23	17,617.77	3,633.98	9,602.98
235 Accrued Landfill Closure and Postclosure	-	1,381,056.11	-	-
Total Noncurrent Liabilities	<u>1,317,095.62</u>	<u>1,412,010.44</u>	<u>6,369.97</u>	<u>13,834.01</u>
NET ASSETS:				
253.10 Invested in Capital Assets, Net of Related Debt	1,019,776.95	5,566,075.39	1,192,365.94	425,906.09
253.20 Restricted Net Assets, Restricted for:	-	-	-	-
253.22 Revenue Bond Retirement	1,974,591.03	5,008,906.30	(68,720.11)	71,134.35
253.90 Unrestricted Net Assets	<u>2,994,367.98</u>	<u>10,574,981.69</u>	<u>1,123,645.83</u>	<u>497,040.44</u>
Total Net Assets	<u>4,836,039.76</u>	<u>12,122,767.14</u>	<u>1,192,377.77</u>	<u>524,350.62</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,836,039.76</u></u>	<u><u>\$ 12,122,767.14</u></u>	<u><u>\$ 1,192,377.77</u></u>	<u><u>\$ 524,350.62</u></u>

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 6,573.92	\$ 93,088.47	\$ -	\$ 815,075.96	\$ 141,161.27	\$ 3,966,542.99
-	278,734.82	-	-	-	278,734.82
-	-	-	-	-	1,381,056.11
-	363,111.39	-	-	-	4,413,737.65
150.59	308,067.14	23,546.35	4,916,661.11	230.98	5,883,087.55
-	(154,482.21)	-	(2,957,493.67)	-	(3,161,975.88)
55,750.33	-	-	-	-	55,750.33
-	10.00	26,776.40	-	-	26,833.60
39.10	296.46	-	589.39	99.19	6,592.65
-	39,318.14	-	-	-	39,318.14
62,513.94	928,144.21	50,322.75	2,774,832.79	141,491.44	12,889,677.96
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	8,734,599.24
2,360,301.79	487,832.95	-	-	1,679,939.23	9,491,670.81
499,604.44	-	96,499.06	267,187.30	-	2,156,194.27
188,189.00	16,025.00	20,557.00	1,201,550.35	-	7,248,146.90
-	-	134,850.00	-	-	134,850.00
(1,685,739.77)	(1,066,168.83)	(521,743.43)	(817,584.47)	(524,828.16)	(10,263,354.10)
4,292,495.53	6,558,519.42	506,733.16	681,812.22	2,339,612.18	24,122,334.97
\$ 4,355,009.47	\$ 7,486,663.63	\$ 557,055.91	\$ 3,456,645.01	\$ 2,481,103.62	\$ 37,012,012.93
\$ 14,188.80	\$ 34,136.32	\$ 10,536.54	\$ 42,630.87	\$ 6,928.98	\$ 399,632.68
45,363.92	-	188,709.10	53,634.68	-	343,458.03
-	670.88	-	9,840.65	-	13,185.24
15,044.39	-	17,894.72	8,854.73	-	109,196.97
5,729.83	-	7,823.48	39,591.58	-	83,110.27
-	85,000.00	-	-	-	85,000.00
13,610.78	-	-	137,652.06	-	436,948.43
-	-	3,500.00	-	-	7,000.00
93,937.72	119,807.20	228,463.84	292,204.57	6,928.98	1,477,531.62
59,437.93	-	-	54,162.52	-	113,600.45
7,966.49	-	10,877.40	55,046.29	-	115,552.65
-	2,184,925.23	-	-	-	2,184,925.23
82,443.62	-	-	144,080.42	-	1,479,876.54
22,573.51	-	63,056.15	89,238.46	-	248,107.08
-	-	-	-	-	1,381,056.11
172,421.55	2,184,925.23	73,933.55	342,527.69	-	5,523,118.06
4,196,441.13	4,288,594.19	506,733.16	400,079.74	2,339,612.18	19,935,584.77
-	278,734.82	-	-	-	278,734.82
(107,790.93)	614,602.19	(252,074.64)	2,421,833.01	134,562.46	9,797,043.66
4,088,650.20	5,181,931.20	254,658.52	2,821,912.75	2,474,174.64	30,011,363.25
\$ 4,355,009.47	\$ 7,486,663.63	\$ 557,055.91	\$ 3,456,645.01	\$ 2,481,103.62	\$ 37,012,012.93

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2011

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
Operating Revenue:				
380 Charges for Goods and Services	\$ 2,330,246.30	\$ 2,826,063.16	\$ 134,729.47	\$ 155,041.10
381 Revenues used as Security for Revenue Bonds	-	-	-	-
Total Operating Revenue	2,330,246.30	2,826,063.16	134,729.47	155,041.10
Operating Expenses:				
410 Personal Services	801,108.57	459,457.31	108,369.06	167,082.91
420 Other Current Expense	709,289.34	1,806,827.50	87,273.00	60,830.08
426.2 Materials (Cost of Goods Sold)	-	-	-	-
457 Depreciation	351,425.18	371,137.16	18,604.80	27,914.91
Total Operating Expenses	1,861,823.09	2,637,421.97	214,246.86	255,827.90
Operating Income (Loss)	468,423.21	188,641.19	(79,517.39)	(100,786.80)
Nonoperating Revenue (Expense):				
361 Investment Earnings	36,024.10	240,013.09	356.71	5,547.60
470 Interest Expense and Fiscal Charges	(67,679.01)	-	-	-
(492)366 Gain (Loss) on Disposition of Capital Assets	(17,068.81)	(19,685.12)	-	-
369.01 Other	-	73,449.92	-	-
Total Nonoperating Revenue (Expense)	(48,723.72)	293,777.89	356.71	5,547.60
Income (Loss) Before Transfers	419,699.49	482,419.08	(79,160.68)	(95,239.20)
391.1 Transfers In	-	10,139.74	9,000.00	117,120.54
511 Transfers Out	(2,128.95)	(9,515.00)	(9,000.00)	(843.00)
Net Contributions and Transfers	(2,128.95)	624.74	-	116,277.54
Change in Net Assets	417,570.54	483,043.82	(79,160.68)	21,038.34
Net Assets - Beginning	2,576,797.44	10,091,937.87	1,202,806.51	476,002.10
NET ASSETS - ENDING	\$ 2,994,367.98	\$ 10,574,981.69	\$ 1,123,645.83	\$ 497,040.44

Enterprise Funds

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 1,212,133.37	\$ -	\$ 248,206.75	\$ 3,301,029.57	\$ 29,257.41	\$ 10,236,707.13
-	685,134.60	-	-	-	685,134.60
1,212,133.37	685,134.60	248,206.75	3,301,029.57	29,257.41	10,921,841.73
495,290.26	-	389,048.45	2,011,912.04	-	4,432,268.60
602,602.01	455,340.40	(112,823.61)	484,768.28	80,197.52	4,174,304.52
140,905.34	-	-	-	-	140,905.34
72,788.32	88,349.97	19,953.42	217,271.20	66,688.90	1,234,133.86
1,311,585.93	543,690.37	296,178.26	2,713,951.52	146,886.42	9,981,612.32
(99,452.56)	141,444.23	(47,971.51)	587,078.05	(117,629.01)	940,229.41
2,394.47	20,195.09	-	25,670.27	3,083.68	333,285.01
(9,722.43)	(136,887.76)	-	(22,353.36)	-	(236,642.56)
(6,607.58)	-	-	(14,204.15)	-	(57,565.66)
-	-	-	-	-	73,449.92
(13,935.54)	(116,692.67)	-	(10,887.24)	3,083.68	112,526.71
(113,388.10)	24,751.56	(47,971.51)	576,190.81	(114,545.33)	1,052,756.12
741,678.11	-	134,850.00	-	95,495.00	1,108,283.39
(20,645.00)	(19,890.00)	(3,339.00)	-	(4,940.00)	(70,300.95)
721,033.11	(19,890.00)	131,511.00	-	90,555.00	1,037,982.44
607,645.01	4,861.56	83,539.49	576,190.81	(23,990.33)	2,090,738.56
3,481,005.19	5,177,069.64	171,119.03	2,245,721.94	2,498,164.97	27,920,624.69
\$ 4,088,650.20	\$ 5,181,931.20	\$ 254,658.52	\$ 2,821,912.75	\$ 2,474,174.64	\$ 30,011,363.25

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2011

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customers	\$ 2,282,744.30	\$ 2,758,561.02	\$ 134,729.47	\$ 154,455.73
Receipt from Interfund Services Provided	-	-	55,750.33	-
Payments to Suppliers	(557,363.69)	(1,757,218.81)	(87,546.35)	(60,480.42)
Payments to Employees	(794,690.01)	(451,650.24)	(108,287.15)	(163,677.82)
Internal Activity - Payment to Other Funds	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>930,690.60</u>	<u>549,691.97</u>	<u>(5,353.70)</u>	<u>(69,702.51)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers In	-	10,139.74	9,000.00	117,120.54
Transfers Out	(2,128.95)	(9,515.00)	(9,000.00)	(843.00)
Net Cash Provided (Used) by Operating Subsidiaries and Transfers	<u>(2,128.95)</u>	<u>624.74</u>	<u>-</u>	<u>116,277.54</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(152,222.50)	(139,255.32)	-	(48,227.54)
Principal Paid on Capital Debt	(275,412.70)	-	-	-
Interest Paid on Capital Debt	(67,679.01)	(478.46)	-	-
Other Receipts (Payments)	-	73,449.92	-	-
Net Cash (Used) by capital and related financing Activities	<u>(495,314.21)</u>	<u>(66,283.86)</u>	<u>-</u>	<u>(48,227.54)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	36,613.62	72,963.13	359.69	3,112.51
Net Cash Provided by Investing Activities	<u>36,613.62</u>	<u>72,963.13</u>	<u>359.69</u>	<u>3,112.51</u>
Net Increase (Decrease) in Cash and Cash Equivalents	469,861.06	556,995.98	(4,994.01)	1,460.00
Balances - Beginning	1,528,525.49	1,680,050.50	4,994.01	54,806.45
Balances- Ending	<u>\$ 1,998,386.55</u>	<u>\$ 2,237,046.48</u>	<u>\$ (0.00)</u>	<u>\$ 56,266.45</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 468,423.21	\$ 188,641.19	\$ (79,517.39)	\$ (100,786.80)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	351,425.18	371,137.16	18,604.80	27,914.91
Landfill Closure and Postclosure Costs	-	46,702.38	-	-
Change in Assets and Liabilities:				
Receivables	(47,502.00)	(67,502.14)	-	(585.37)
Due from Other Funds	-	-	-	-
Prepaid Expenses	-	-	-	-
Due to Other Funds	-	-	-	-
Accounts and Other Payables	151,925.65	2,906.31	55,476.98	349.66
Accrued Wages Payable	230.97	1,581.85	(1,222.36)	1,103.08
Accrued Leave Payable	509.62	1,096.44	1,006.20	1,045.50
Accrued Other Post Employment Benefits	5,677.97	5,128.78	298.07	1,256.51
Net Cash Provided (Used) by Operating Activities	<u>\$ 930,690.60</u>	<u>\$ 549,691.97</u>	<u>\$ (5,353.70)</u>	<u>\$ (69,702.51)</u>
Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (17,068.81)	\$ (19,685.12)	\$ -	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
101 Cash and Cash Equivalents	\$ 1,998,386.55	\$ 855,990.37	\$ -	\$ 56,266.45
106 Cash with Fiscal Agent, Restricted	-	-	-	-
107 Restricted Cash (Note 16)	-	1,381,056.11	-	-
	<u>\$ 1,998,386.55</u>	<u>\$ 2,237,046.48</u>	<u>\$ -</u>	<u>\$ 56,266.45</u>

Enterprise Funds					
Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 1,214,709.40	\$ 669,915.69	\$ 273,884.74	\$ 2,857,783.90	\$ 30,457.41	\$ 10,377,241.66
(55,750.33)	-	21,199.01	-	-	21,199.01
(751,331.18)	(452,896.02)	95,033.82	(629,175.12)	(77,587.27)	(4,278,565.04)
(479,994.39)	-	(386,778.57)	(1,990,575.33)	-	(4,375,653.51)
(25,097.02)	-	-	(51,202.56)	-	(76,299.58)
(97,463.52)	217,019.67	3,339.00	186,830.89	(47,129.86)	1,667,922.54
741,678.11	-	134,850.00	-	95,495.00	1,108,283.39
(20,645.00)	(19,890.00)	(3,339.00)	-	(4,940.00)	(70,300.95)
721,033.11	(19,890.00)	131,511.00	-	90,555.00	1,037,982.44
(741,678.11)	-	(134,850.00)	(190,172.00)	(29,858.00)	(1,436,263.47)
(14,195.54)	(79,407.36)	-	(131,510.52)	-	(500,526.12)
(9,722.43)	(136,911.30)	-	(26,946.89)	-	(241,738.09)
-	-	-	-	-	73,449.92
(765,596.08)	(216,318.66)	(134,850.00)	(348,629.41)	(29,858.00)	(2,105,077.76)
2,499.45	7,076.55	-	26,103.25	3,251.29	151,979.49
2,499.45	7,076.55	-	26,103.25	3,251.29	151,979.49
(139,527.04)	(12,112.44)	(0.00)	(135,695.27)	16,818.43	752,806.71
146,100.96	383,935.73	-	950,771.23	124,342.84	4,873,527.21
\$ 6,573.92	\$ 371,823.29	\$ (0.00)	\$ 815,075.96	\$ 141,161.27	\$ 5,626,333.92
\$ (99,452.56)	\$ 141,444.23	\$ (47,971.51)	\$ 587,078.05	\$ (117,629.01)	\$ 940,229.41
72,788.32	88,349.97	19,953.42	217,271.20	66,688.90	1,234,133.86
-	-	-	-	-	46,702.38
2,576.03	(15,218.91)	25,677.99	(443,245.67)	1,200.00	(544,600.07)
-	-	-	-	-	-
-	2,069.38	-	-	-	2,069.38
(80,847.35)	-	21,199.01	(51,202.56)	-	(110,850.90)
(7,823.83)	375.00	(17,789.79)	(144,406.84)	2,610.25	43,623.39
5,648.51	-	(780.29)	(151.21)	-	6,410.55
4,802.10	-	(500.99)	5,362.14	-	13,321.01
4,845.26	-	3,551.16	16,125.78	-	36,883.53
\$ (97,463.52)	\$ 217,019.67	\$ 3,339.00	\$ 186,830.89	\$ (47,129.86)	\$ 1,667,922.54
\$ (6,607.58)	\$ -	\$ -	\$ (14,204.15)	\$ -	\$ (57,565.66)
\$ 6,573.92	\$ 93,088.47	\$ -	\$ 815,075.96	\$ 141,161.27	\$ 3,966,542.99
-	278,734.82	-	-	-	278,734.82
-	-	-	-	-	1,381,056.11
\$ 6,573.92	\$ 371,823.29	\$ -	\$ 815,075.96	\$ 141,161.27	\$ 5,626,333.92

CITY OF RAPID CITY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2011

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
ASSETS:						
Current Assets:						
101 Cash and Cash Equivalents	\$ 8,163,014.28	\$ 778,907.25	\$ 79,665.61	\$ 93,477.74	\$ 163,358.97	\$ 9,278,423.85
115 Accounts Receivable	532,592.91	-	-	13,747.14	-	546,340.05
151 Investments	-	-	164,342.22	-	1,232,387.27	1,396,729.49
135 Interest Receivable	5,444.99	467.61	-	62.54	1,100.57	7,075.71
TOTAL ASSETS	\$ 8,701,052.18	\$ 779,374.86	\$ 244,007.83	\$ 107,287.42	\$ 1,396,846.81	\$ 11,228,569.10

LIABILITIES:	
Current Liabilities:	
202 Accounts Payable	\$ 524,795.78
2xx Wages Payable	338,518.69
Total Current Liabilities	\$ 863,314.47
	\$ 4,211.54
	\$ 6,842.60
	\$ 1,802,132.57
	\$ 2,672,289.64
	\$ 4,211.54
	\$ 2,676,501.18

NET ASSETS:	
253.90 Unrestricted Net Assets	8,176,256.40
	436,644.63
	244,007.83
	100,444.82
	(405,285.76)
TOTAL LIABILITIES AND NET ASSETS	\$ 8,701,052.18
	\$ 779,374.86
	\$ 244,007.83
	\$ 107,287.42
	\$ 1,396,846.81
	\$ 11,228,569.10

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
Operating Revenue:						
380 Charges for Goods and Services	\$ 6,560,094.74	\$ 47,445.40	\$ -	\$ 168,024.87	\$ 608,318.40	\$ 7,383,883.41
Operating Expenses:						
410 Personal Services	-	86,991.67	-	-	-	86,991.67
420 Other Current Expense	5,531,722.11	427,146.71	30,984.66	169,912.83	1,158,307.57	7,318,073.88
Total Operating Expenses	5,531,722.11	514,138.38	30,984.66	169,912.83	1,158,307.57	7,405,065.55
Operating Income (Loss)	1,028,372.63	(466,692.98)	(30,984.66)	(1,887.96)	(549,989.17)	(21,182.14)
Nonoperating Revenue (Expense):						
361 Investment Earnings (Loss)	142,243.07	19,988.21	-	1,673.31	72,634.58	236,539.17
Change in Net Assets	1,170,615.70	(446,704.77)	(30,984.66)	(214.65)	(477,354.59)	215,357.03
Net Assets - Beginning	7,005,640.70	883,349.40	274,992.49	100,659.47	72,068.83	8,336,710.89
NET ASSETS - ENDING	\$ 8,176,256.40	\$ 436,644.63	\$ 244,007.83	\$ 100,444.82	\$ (405,285.76)	\$ 8,552,067.92

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2011

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
\$ 6,558,140.83	\$ 47,445.40	\$ -	\$ -	\$ 167,423.59	\$ 608,318.40	\$ 7,381,328.22
-	(86,935.86)	-	-	-	-	(86,935.86)
(5,610,717.95)	(549,257.89)	(42,058.50)	(170,404.63)	(959,377.60)	(959,377.60)	(7,331,816.57)
947,422.88	(588,748.35)	(42,058.50)	(2,981.04)	(351,059.20)	(351,059.20)	(37,424.21)
144,313.22	20,891.03	(1,943.87)	1,712.49	296,388.20	296,388.20	461,361.07
144,313.22	20,891.03	(1,943.87)	1,712.49	296,388.20	296,388.20	461,361.07
1,091,736.10	(567,857.32)	(44,002.37)	(1,268.55)	(54,671.00)	(54,671.00)	423,936.86
7,071,278.18	1,346,764.57	123,667.98	94,746.29	218,029.97	218,029.97	8,854,486.99
\$ 8,163,014.28	\$ 778,907.25	\$ 79,665.61	\$ 93,477.74	\$ 163,358.97	\$ 9,278,423.85	

CASH FLOWS FROM OPERATING ACTIVITIES:
Receipts from Interfund Services Provided
Payments to Employees
Payments for Claims & Services

Net Cash Provided (Used) by Operating Activities

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest Earnings

Net Cash Provided by Investing Activities

Net Increase (Decrease) in Cash and Cash Equivalents

Balances - Beginning

Balances- Ending

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ 1,028,372.63	\$ (466,692.98)	\$ (30,984.66)	\$ (1,887.96)	\$ (549,989.17)	\$ (21,182.14)
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:						
Accounts Receivable	(1,953.91)	-	-	(601.28)	-	(2,555.19)
Accounts Payables	(78,995.84)	(122,111.18)	(11,073.84)	(491.80)	198,929.97	(13,742.69)
Wages Payable	-	55.81	-	-	-	55.81
Net Cash Provided (Used) by Operating Activities	\$ 947,422.88	\$ (588,748.35)	\$ (42,058.50)	\$ (2,981.04)	\$ (351,059.20)	\$ (37,424.21)

**CITY OF RAPID CITY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2011**

	Deposits Held For Others Fund	Payroll Withholding Fund	Section 125 Fund	Total
ASSETS:				
Cash and Cash Equivalents	\$ 311,125.43	\$ 289,165.18	\$ 46,939.30	\$ 647,229.91
Investments	313,251.53			313,251.53
TOTAL ASSETS	\$ 624,376.96	\$ 289,165.18	\$ 46,939.30	\$ 960,481.44
LIABILITIES:				
Accounts Payable	\$ -	\$ 96,586.34	\$ -	\$ 96,586.34
Due to Other Organizations	624,376.96	192,578.84	46,939.30	863,895.10
Total Liabilities	\$ 624,376.96	\$ 289,165.18	\$ 46,939.30	\$ 960,481.44

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 33 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 46,440.14	\$ 44,762.09
360 Miscellaneous Revenue:		
361 Investment Earnings	-	8.14
367 Contributions and Donations	-	1,669.91
Total Revenue	<u>46,440.14</u>	<u>46,440.14</u>
Expenditures:		
470 Debt Service	<u>46,440.14</u>	<u>46,437.64</u>
Total Expenditures	<u>46,440.14</u>	<u>46,437.64</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>2.50</u>
Net Change in Fund Balances	-	2.50
Fund Balance - Beginning	2.77	2.77
FUND BALANCE- ENDING	<u>\$ 2.77</u>	<u>\$ 5.27</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 OCCUPANCY TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
314 Occupancy Tax	\$ 1,272,843.00	\$ 1,283,355.15
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2,577.09
Total Revenue	1,272,843.00	1,285,932.24
 Expenditures:		
490 Other Expenditures		
492 Other Expenditures	\$ 1,272,903.10	\$ 1,288,585.61
Total Expenditures	1,272,903.10	1,288,585.61
 Excess of Revenue Over (Under) Expenditures	 (60.10)	 (2,653.37)
 Net Change in Fund Balances	 (60.10)	 (2,653.37)
 Fund Balance - Beginning	 16,380.81	 16,380.81
 FUND BALANCE- ENDING	 \$ 16,320.71	 \$ 13,727.44

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN BID
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2,346.03
363 Special Assessments	350,000.00	160,064.00
Total Revenue	<u>350,000.00</u>	<u>162,410.03</u>
Expenditures:		
490 Other Expenditures		
492 Other Expenditures	\$ 350,000.00	\$ 170,246.82
Total Expenditures	<u>350,000.00</u>	<u>170,246.82</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(7,836.79)</u>
Net Change in Fund Balances	-	(7,836.79)
Fund Balance - Beginning	-	9,410.25
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 1,573.46</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 EROSION/SEDIMENT CONTROL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Other-Conservation & Development	55,362.00	39,850.00
Total Revenue	<u>55,362.00</u>	<u>39,850.00</u>
Expenditures:		
460 Conservation and Development:		
463 Community Development	54,462.00	51,749.27
Total Expenditures	<u>54,462.00</u>	<u>51,749.27</u>
Net Change in Fund Balances	900.00	(11,899.27)
Fund Balance - Beginning	79,070.51	79,070.51
FUND BALANCE- ENDING	<u><u>\$ 79,970.51</u></u>	<u><u>\$ 67,171.24</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 66 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ 185.00
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1.31
Total Revenue	<u>-</u>	<u>186.31</u>
 Expenditures:		
470 Debt Service	-	-
485 Capital Outlay	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>186.31</u>
 Other Financing Sources (Uses):		
391.02 Long-term debt issued	-	-
511 Transfers out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	186.31
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 186.31</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 67 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 14,778.17	\$ 14,527.46
360 Miscellaneous Revenue:		
361 Investment Earnings	-	260.80
Total Revenue	<u>14,778.17</u>	<u>14,788.26</u>
Expenditures:		
470 Debt Service	14,778.17	-
485 Capital Outlay	<u>2,501,176.38</u>	-
Total Expenditures	<u>2,515,954.55</u>	-
Excess of Revenue Over (Under) Expenditures	<u>(2,501,176.38)</u>	<u>14,788.26</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	<u>2,501,176.38</u>	-
Total Other Financing Sources (Uses)	<u>2,501,176.38</u>	-
Net Change in Fund Balances	-	14,788.26
Fund Balance - Beginning	6,253.70	7,819.58
FUND BALANCE- ENDING	<u>\$ 6,253.70</u>	<u>\$ 22,607.84</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 70 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 72,851.05	\$ 66,466.65
360 Miscellaneous Revenue:		
361 Investment Earnings	-	2,569.74
Total Revenue	<u>72,851.05</u>	<u>69,036.39</u>
Expenditures:		
470 Debt Service	<u>72,851.05</u>	-
Total Expenditures	<u>72,851.05</u>	-
Net Change in Fund Balances	-	69,036.39
Fund Balance - Beginning	110,278.06	110,278.06
FUND BALANCE- ENDING	<u>\$ 110,278.06</u>	<u>\$ 179,314.45</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 68 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 70,340.32	\$ 66,385.62
360 Miscellaneous Revenue:		
361 Investment Earnings	-	271.65
Total Revenue	<u>70,340.32</u>	<u>66,657.27</u>
Expenditures:		
470 Debt Service	70,340.32	26,394.90
485 Capital Outlay	2,257,786.04	443,932.40
Total Expenditures	<u>2,328,126.36</u>	<u>470,327.30</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,257,786.04)</u>	<u>(403,670.03)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	2,257,786.04	460,201.74
Total Other Financing Sources (Uses)	<u>2,257,786.04</u>	<u>460,201.74</u>
Net Change in Fund Balances	-	56,531.71
Fund Balance - Beginning	6,253.70	6,509.95
FUND BALANCE- ENDING	<u>\$ 6,253.70</u>	<u>\$ 63,041.66</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 65 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 36,847.70	\$ 36,589.02	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	271.40	
Total Revenue	<u>36,847.70</u>	<u>36,860.42</u>	
 Expenditures:			
470 Debt Service	36,847.70	333,881.11	
485 Capital Outlay	29,054,020.25	-	
Total Expenditures	<u>29,090,867.95</u>	<u>333,881.11</u>	
 Excess of Revenue Over (Under) Expenditures	<u>(29,054,020.25)</u>	<u>(297,020.69)</u>	
 Other Financing Sources (Uses):			
391.02 Long-term debt issued	29,054,020.25	313,869.26	
Total Other Financing Sources (Uses)	<u>29,054,020.25</u>	<u>313,869.26</u>	
 Net Change in Fund Balances	-	16,848.57	
 Fund Balance - Beginning	6,253.70	6,253.70	
 FUND BALANCE- ENDING	<u>\$ 6,253.70</u>	<u>\$ 23,102.27</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 62 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 171,447.61	\$ 166,529.25
360 Miscellaneous Revenue:		
361 Investment Earnings	-	4,984.11
Total Revenue	<u>171,447.61</u>	<u>171,513.36</u>
Expenditures:		
470 Debt Service	171,447.61	-
485 Capital Outlay	<u>23,085,086.14</u>	-
Total Expenditures	<u>23,256,533.75</u>	-
Excess of Revenue Over (Under) Expenditures	<u>(23,085,086.14)</u>	<u>171,513.36</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	<u>23,085,086.14</u>	-
Total Other Financing Sources (Uses)	<u>23,085,086.14</u>	-
Net Change in Fund Balances	-	171,513.36
Fund Balance - Beginning	201,891.39	201,891.39
FUND BALANCE- ENDING	<u>\$ 201,891.39</u>	<u>\$ 373,404.75</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 61 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 327,559.55	\$ 342,249.30
360 Miscellaneous Revenue:		
361 Investment Earnings	-	200.60
Total Revenue	<u>327,559.55</u>	<u>342,449.90</u>
Expenditures:		
470 Debt Service	327,559.55	327,359.13
485 Capital Outlay	704,148.94	-
Total Expenditures	<u>1,031,708.49</u>	<u>327,359.13</u>
Excess of Revenue Over (Under) Expenditures	<u>(704,148.94)</u>	<u>15,090.77</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	704,148.94	-
Total Other Financing Sources (Uses)	<u>704,148.94</u>	<u>-</u>
Net Change in Fund Balances	-	15,090.77
Fund Balance - Beginning	3.71	3.71
FUND BALANCE- ENDING	<u>\$ 3.71</u>	<u>\$ 15,094.48</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 63 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 115,628.08	\$ 115,177.91
360 Miscellaneous Revenue:		
361 Investment Earnings	-	58.86
Total Revenue	<u>115,628.08</u>	<u>115,236.77</u>
Expenditures:		
470 Debt Service	115,628.08	115,581.12
485 Capital Outlay	<u>5,061,882.53</u>	-
Total Expenditures	<u>5,177,510.61</u>	<u>115,581.12</u>
Excess of Revenue Over (Under) Expenditures	<u>(5,061,882.53)</u>	<u>(344.35)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	<u>5,061,882.53</u>	-
Total Other Financing Sources (Uses)	<u>5,061,882.53</u>	-
Net Change in Fund Balances	-	(344.35)
Fund Balance - Beginning	7,277.46	7,277.46
FUND BALANCE- ENDING	<u><u>\$ 7,277.46</u></u>	<u><u>\$ 6,933.11</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 59 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 1,238.51	\$ -	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	6.06	
Total Revenue	<u>1,238.51</u>	<u>6.06</u>	
 Expenditures:			
470 Debt Service	<u>1,238.51</u>	<u>1,236.76</u>	
Total Expenditures	<u>1,238.51</u>	<u>1,236.76</u>	
 Excess of Revenue Over (Under)			
Expenditures	<u>-</u>	<u>(1,230.70)</u>	
 Net Change in Fund Balances	-	(1,230.70)	
 Fund Balance - Beginning	1,231.10	1,231.10	
 FUND BALANCE- ENDING	<u>\$ 1,231.10</u>	<u>\$ 0.40</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 29 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 40.81	\$ -	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	39.86	
Total Revenue	40.81	39.86	
Expenditures:			
470 Debt Service	40.81	-	
Total Expenditures	40.81	-	
Net Change in Fund Balances	-	39.86	
Fund Balance - Beginning	2,131.46	2,131.46	
FUND BALANCE- ENDING	\$ 2,131.46	\$ 2,171.32	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 55 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 709,524.30	\$ 712,545.30
360 Miscellaneous Revenue:		
361 Investment Earnings	-	372.20
Total Revenue	<u>709,524.30</u>	<u>712,917.50</u>
Expenditures:		
470 Debt Service	<u>709,524.30</u>	<u>34,143.31</u>
Total Expenditures	<u>709,524.30</u>	<u>34,143.31</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>678,774.19</u>
Net Change in Fund Balances	-	678,774.19
Fund Balance - Beginning	(670,013.93)	(670,013.93)
FUND BALANCE- ENDING	<u>\$ (670,013.93)</u>	<u>\$ 8,760.26</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 56 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 2,110,832.34	\$ 1,908,637.35	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	2,577.10	
Total Revenue	<u>2,110,832.34</u>	<u>1,911,214.45</u>	
Expenditures:			
470 Debt Service	2,110,832.34	1,685,390.89	
485 Capital Outlay	5,926,322.41	-	
Total Expenditures	<u>8,037,154.75</u>	<u>1,685,390.89</u>	
Excess of Revenue Over (Under) Expenditures	<u>(5,926,322.41)</u>	<u>225,823.56</u>	
Other Financing Sources/(Uses)			
391.02 Long-term Debt Issued	5,926,322.41	-	
Total Other Financing Sources/(Uses)	<u>5,926,322.41</u>	<u>-</u>	
Net Change in Fund Balances	-	225,823.56	
Fund Balance - Beginning	(1,521,485.98)	(1,521,485.98)	
FUND BALANCE- ENDING	<u>\$ (1,521,485.98)</u>	<u>\$ (1,295,662.42)</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 54 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 291,732.40	\$ 270,527.52
360 Miscellaneous Revenue:		
361 Investment Earnings	-	221.51
Total Revenue	<u>291,732.40</u>	<u>270,749.03</u>
Expenditures:		
470 Debt Service	291,732.40	234,066.14
485 Capital Outlay	843,784.87	-
Total Expenditures	<u>1,135,517.27</u>	<u>234,066.14</u>
Excess of Revenue Over (Under) Expenditures	<u>(843,784.87)</u>	<u>36,682.89</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	843,784.87	-
Total Other Financing Sources/(Uses)	<u>843,784.87</u>	<u>-</u>
Net Change in Fund Balances	-	36,682.89
Fund Balance - Beginning	25,908.85	25,908.85
FUND BALANCE- ENDING	<u><u>\$ 25,908.85</u></u>	<u><u>\$ 62,591.74</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 44 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,406,887.89	\$ 1,131,984.13
360 Miscellaneous Revenue:		
361 Investment Earnings	-	386.63
Total Revenue	<u>1,406,887.89</u>	<u>1,132,370.76</u>
Expenditures:		
470 Debt Service	1,406,887.89	1,174,175.26
485 Capital Outlay	<u>2,844,986.77</u>	-
Total Expenditures	<u>4,251,874.66</u>	<u>1,174,175.26</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,844,986.77)</u>	<u>(41,804.50)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	<u>2,844,986.77</u>	-
Total Other Financing Sources/(Uses)	<u>2,844,986.77</u>	-
Net Change in Fund Balances	-	(41,804.50)
Fund Balance - Beginning	60,096.49	60,096.49
FUND BALANCE- ENDING	<u>\$ 60,096.49</u>	<u>\$ 18,291.99</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 46 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 26,142.96	\$ 20,310.11
360 Miscellaneous Revenue:		
361 Investment Earnings	-	-
Total Revenue	<u>26,142.96</u>	<u>20,310.11</u>
 Expenditures:		
470 Debt Service	76,142.96	75,552.86
485 Capital Outlay	-	-
Total Expenditures	<u>76,142.96</u>	<u>75,552.86</u>
 Net Change in Fund Balances	(50,000.00)	(55,242.75)
 Fund Balance - Beginning	55,242.75	55,242.75
 FUND BALANCE- ENDING	<u>\$ 5,242.75</u>	<u>\$ -</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 48 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 317.26	\$ -	
Total Revenue	317.26	-	
Expenditures:			
470 Debt Service	317.26	317.26	
Total Expenditures	317.26	317.26	
Net Change in Fund Balances	-	(317.26)	
Fund Balance - Beginning	317.26	317.26	
FUND BALANCE- ENDING	\$ 317.26	\$ 0.00	

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 19 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ -	\$ -	
Total Revenue	<u>-</u>	<u>-</u>	
Expenditures:			
470 Debt Service	<u>6.00</u>	<u>5.63</u>	
Total Expenditures	<u>6.00</u>	<u>5.63</u>	
Net Change in Fund Balances	(6.00)	(5.63)	
Fund Balance - Beginning	5.63	5.63	
FUND BALANCE- ENDING	<u>\$ (0.37)</u>	<u>\$ 0.00</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 50 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 321,887.58	\$ 246,923.55
360 Miscellaneous Revenue:		
361 Investment Earnings	-	562.98
Total Revenue	<u>321,887.58</u>	<u>247,486.53</u>
Expenditures:		
470 Debt Service	321,887.58	411,531.08
485 Capital Outlay	7,970,713.31	-
Total Expenditures	<u>8,292,600.89</u>	<u>411,531.08</u>
Excess of Revenue Over (Under) Expenditures	<u>(7,970,713.31)</u>	<u>(164,044.55)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	7,970,713.31	90,639.83
Total Other Financing Sources (Uses)	<u>7,970,713.31</u>	<u>90,639.83</u>
Net Change in Fund Balances	-	(73,404.72)
Fund Balance - Beginning	84,376.44	84,376.44
FUND BALANCE- ENDING	<u>\$ 84,376.44</u>	<u>\$ 10,971.72</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 49 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 839,141.15	\$ 19,336.42
360 Miscellaneous Revenue:		
361 Investment Earnings	-	6,290.85
Total Revenue	<u>839,141.15</u>	<u>25,627.27</u>
Expenditures:		
470 Debt Service	<u>839,141.15</u>	<u>838,827.70</u>
Total Expenditures	<u>839,141.15</u>	<u>838,827.70</u>
Other Financing Sources/(Uses)		
391.01 Transfers In	-	188,856.00
391.02 Long-term Debt Issued	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>188,856.00</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(624,344.43)</u>
Net Change in Fund Balances	-	(624,344.43)
Fund Balance - Beginning	624,344.43	624,344.43
FUND BALANCE- ENDING	<u><u>\$ 624,344.43</u></u>	<u><u>\$ -</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 52 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 93,073.69	\$ 27,699.26	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	363.35	
Total Revenue	<u>93,073.69</u>	<u>28,062.61</u>	
Expenditures:			
470 Debt Service	93,073.69	91,005.93	
485 Capital Outlay	1,250,106.68	456,833.83	
Total Expenditures	<u>1,343,180.37</u>	<u>547,839.76</u>	
Excess of Revenue Over (Under) Expenditures	<u>(1,250,106.68)</u>	<u>(519,777.15)</u>	
Other Financing Sources (Uses):			
391.02 Long-term debt issued	1,250,106.68	454,783.83	
Total Other Financing Sources (Uses)	<u>1,250,106.68</u>	<u>454,783.83</u>	
Net Change in Fund Balances	-	(64,993.32)	
Fund Balance - Beginning	65,011.10	65,011.10	
FUND BALANCE- ENDING	<u>\$ 65,011.10</u>	<u>\$ 17.78</u>	

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 51 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 873,154.41	\$ 939,068.43
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,162.72
Total Revenue	<u>873,154.41</u>	<u>940,231.15</u>
Expenditures:		
470 Debt Service	873,154.41	346,572.60
485 Capital Outlay	1,321,926.38	-
Total Expenditures	<u>2,195,080.79</u>	<u>346,572.60</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,321,926.38)</u>	<u>593,658.55</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	1,321,926.38	-
Total Other Financing Sources (Uses)	<u>1,321,926.38</u>	<u>-</u>
Net Change in Fund Balances	-	593,658.55
Fund Balance - Beginning	84,376.44	(345,542.76)
FUND BALANCE- ENDING	<u>\$ 84,376.44</u>	<u>\$ 248,115.79</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 53 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 116,301.42	\$ 114,793.56
360 Miscellaneous Revenue:		
361 Investment Earnings	-	147.59
Total Revenue	<u>116,301.42</u>	<u>114,941.15</u>
Expenditures:		
470 Debt Service	116,301.42	116,279.45
485 Capital Outlay	2,754,348.73	-
Total Expenditures	<u>2,870,650.15</u>	<u>116,279.45</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(2,754,348.73)</u>	<u>(1,338.30)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	<u>2,754,348.73</u>	-
Total Other Financing Sources (Uses)	<u>2,754,348.73</u>	-
Net Change in Fund Balances	-	(1,338.30)
Fund Balance - Beginning	1,360.30	1,360.30
FUND BALANCE- ENDING	<u>\$ 1,360.30</u>	<u>\$ 22.00</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 47 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 120,568.75	\$ 120,161.67
360 Miscellaneous Revenue:		
361 Investment Earnings	-	73.82
Total Revenue	<u>120,568.75</u>	<u>120,235.49</u>
Expenditures:		
470 Debt Service	120,568.75	265,227.19
485 Capital Outlay	1,314,042.38	-
Total Expenditures	<u>1,434,611.13</u>	<u>265,227.19</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,314,042.38)</u>	<u>(144,991.70)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	1,314,042.38	144,731.12
Total Other Financing Sources (Uses)	<u>1,314,042.38</u>	<u>144,731.12</u>
Net Change in Fund Balances	-	(260.58)
Fund Balance - Beginning	334.87	334.87
FUND BALANCE- ENDING	<u>\$ 334.87</u>	<u>\$ 74.29</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 36 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 326,185.77	\$ -	
Total Revenue	326,185.77	-	
Expenditures:			
470 Debt Service	361,185.77	360,546.43	
Total Expenditures	361,185.77	360,546.43	
Net Change in Fund Balances	(35,000.00)	(360,546.43)	
Fund Balance - Beginning	360,546.43	360,546.43	
FUND BALANCE- ENDING	\$ 325,546.43	\$ -	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 38 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 487,222.68	\$ 566,752.03
360 Miscellaneous Revenue:		
361 Investment Earnings	-	3,299.12
Total Revenue	<u>487,222.68</u>	<u>570,051.15</u>
Expenditures:		
470 Debt Service	<u>487,222.68</u>	<u>432,296.62</u>
Total Expenditures	<u>487,222.68</u>	<u>432,296.62</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>137,754.53</u>
Net Change in Fund Balances	-	137,754.53
Fund Balance - Beginning	(10,105.41)	(10,105.41)
FUND BALANCE- ENDING	<u>\$ (10,105.41)</u>	<u>\$ 127,649.12</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 39 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 161,084.82	\$ 136,984.21	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	142.79	
Total Revenue	<u>161,084.82</u>	<u>137,127.00</u>	
 Expenditures:			
470 Debt Service	161,084.82	117,761.88	
485 Capital Outlay	3,037,472.85	-	
Total Expenditures	<u>3,198,557.67</u>	<u>117,761.88</u>	
 Excess of Revenue Over (Under) Expenditures	<u>(3,037,472.85)</u>	<u>19,365.12</u>	
 Other Financing Uses			
391.02 Long-term Debt Issued	<u>3,037,472.85</u>	-	
 Net Change in Fund Balances	-	19,365.12	
 Fund Balance - Beginning	(818,075.39)	(818,075.39)	
 Prior Period Adjustment	(200,000.00)	(200,000.00)	
 FUND BALANCE- ENDING	<u>\$ (1,018,075.39)</u>	<u>\$ (998,710.27)</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 40 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 111,706.99	\$ 80,999.56
360 Miscellaneous Revenue:		
361 Investment Earnings	-	27.50
Total Revenue	<u>111,706.99</u>	<u>81,027.06</u>
Expenditures:		
470 Debt Service	<u>111,706.99</u>	<u>81,001.62</u>
Total Expenditures	<u>111,706.99</u>	<u>81,001.62</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>25.44</u>
Net Change in Fund Balances	-	25.44
Fund Balance - Beginning	2.04	2.04
FUND BALANCE- ENDING	<u>\$ 2.04</u>	<u>\$ 27.48</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 41 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,194,888.11	\$ 823,656.38
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,803.69
Total Revenue	<u>1,194,888.11</u>	<u>825,460.07</u>
Expenditures:		
470 Debt Service	1,194,888.11	1,136,198.41
485 Capital Outlay	2,343,377.19	-
Total Expenditures	<u>3,538,265.30</u>	<u>1,136,198.41</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,343,377.19)</u>	<u>(310,738.34)</u>
Other Financing Uses		
391.02 Long-term Debt Issued	<u>2,343,377.19</u>	<u>590,337.79</u>
Net Change in Fund Balances	-	279,599.45
Fund Balance - Beginning	(299,123.11)	(299,123.11)
FUND BALANCE- ENDING	<u>\$ (299,123.11)</u>	<u>\$ (19,523.66)</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 42 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 590,959.53	\$ 521,845.80	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	330.35	
Total Revenue	<u>590,959.53</u>	<u>522,176.15</u>	
 Expenditures:			
470 Debt Service	<u>590,959.53</u>	<u>213,300.55</u>	
Total Expenditures	<u>590,959.53</u>	<u>213,300.55</u>	
 Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>308,875.60</u>	
 Net Change in Fund Balances	-	308,875.60	
 Fund Balance - Beginning	(3,640,361.68)	(3,640,361.68)	
 Prior Period Adjustment	-	-	
 FUND BALANCE- ENDING	<u>\$ (3,640,361.68)</u>	<u>\$ (3,331,486.08)</u>	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 43 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 314,553.04	\$ -	
Total Revenue	314,553.04	-	
Expenditures:			
470 Debt Service	357,553.04	357,467.09	
Total Expenditures	357,553.04	357,467.09	
Net Change in Fund Balances	(43,000.00)	(357,467.09)	
Fund Balance - Beginning	357,467.09	357,467.09	
FUND BALANCE- ENDING	\$ 314,467.09	\$ -	

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 1,145,278.22	\$ 722,832.36
340 Charges for Goods and Services:		
342 General Government	-	-
349 Conservation and Development	-	11,152.40
Total Revenue	1,145,278.22	733,984.76
 Expenditures:		
460 Community Development:		
463 Community Development	1,146,220.64	733,984.76
Total Expenditures	1,146,220.64	733,984.76
 Net Change in Fund Balances	(942.42)	-
 Fund Balance - Beginning	-	-
 FUND BALANCE- ENDING	\$ (942.42)	\$ -

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 ARRA COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 33,876.79	\$ 18,675.55
Total Revenue	<u>33,876.79</u>	<u>18,675.55</u>
Expenditures:		
460 Community Development:		
463 Community Development	33,975.35	18,675.55
Total Expenditures	<u>33,975.35</u>	<u>18,675.55</u>
Net Change in Fund Balances	(98.56)	-
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ (98.56)</u>	<u>\$ -</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 REHABILITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Conservation and Development	\$ -	\$ 31,124.49
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2.16
Total Revenue	<u>-</u>	<u>31,126.65</u>
 Expenditures:		
460 Conservation & Development		
463 Community Development	-	16,138.77
Total Expenditures	<u>-</u>	<u>16,138.77</u>
 Net Change in Fund Balances	 -	 14,987.88
 Fund Balance - Beginning	 57,884.37	 57,884.37
 FUND BALANCE- ENDING	 <u>\$ 57,884.37</u>	 <u>\$ 72,872.25</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 CEMETERY PERPETUAL CARE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
348 Cemetery	\$ 21,000.00	\$ 3,127.88
360 Miscellaneous Revenue:		
361 Interest Earnings	-	-
Total Revenue	<u>21,000.00</u>	<u>3,127.88</u>
Expenditures:		
437 Cemetery	<u>21,054.00</u>	<u>236.00</u>
Total Expenditures	<u>21,054.00</u>	<u>236.00</u>
Net Change in Fund Balances	(54.00)	2,891.88
Fund Balance - Beginning	54,850.45	54,850.45
FUND BALANCE- ENDING	<u><u>\$ 54,796.45</u></u>	<u><u>\$ 57,742.33</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
RETIRED SENIOR VOLUNTEER FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grants	\$ 111,684.85	\$ 40,590.12
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	37,177.56
Total Revenue	<u>111,684.85</u>	<u>77,767.68</u>
 Expenditures:		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>111,684.85</u>	<u>98,618.46</u>
Total Expenditures	<u>111,684.85</u>	<u>98,618.46</u>
 Other Financing Uses		
391.01 Transfers In	-	20,000.00
	<u>-</u>	<u>20,000.00</u>
 Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(850.78)</u>
 Net Change in Fund Balances	-	(850.78)
 Fund Balance - Beginning	4,714.19	4,714.19
 FUND BALANCE- ENDING	<u>\$ 4,714.19</u>	<u>\$ 3,863.41</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 RETIRED SENIOR VOLUNTEER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grants	\$ 111,684.85	\$ 40,590.12
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	37,177.56
Total Revenue	<u>111,684.85</u>	<u>77,767.68</u>
 Expenditures:		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>111,684.85</u>	<u>98,618.46</u>
Total Expenditures	<u>111,684.85</u>	<u>98,618.46</u>
 Other Financing Uses		
391.01 Transfers In	-	20,000.00
	<u>-</u>	<u>20,000.00</u>
 Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(850.78)</u>
 Net Change in Fund Balances	-	(850.78)
 Fund Balance - Beginning	4,714.19	4,714.19
 FUND BALANCE- ENDING	<u>\$ 4,714.19</u>	<u>\$ 3,863.41</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 35 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 60,944.74	\$ 85,947.54
360 Miscellaneous Revenue:		
361 Investment Earnings	-	33.64
Total Revenue	60,944.74	85,981.18
Expenditures:		
470 Debt Service	60,944.74	60,925.56
485 Capital Outlay	223,029.73	-
Total Expenditures	283,974.47	60,925.56
Excess of Revenue Over (Under) Expenditures	(223,029.73)	25,055.62
Other Financing Uses		
391.02 Long-term Debt Issued	223,029.73	-
	223,029.73	-
Net Change in Fund Balances	-	25,055.62
Fund Balance - Beginning	25,948.82	25,948.82
FUND BALANCE- ENDING	\$ 25,948.82	\$ 51,004.44

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 64 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>
Expenditures:		
485 Capital Outlay	16,418,131.14	-
Total Expenditures	<u>16,418,131.14</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	<u>(16,418,131.14)</u>	<u>-</u>
Other Financing Uses		
391.02 Long-term Debt Issued	16,418,131.14	-
	<u>16,418,131.14</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
 TID 71 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>
Expenditures:		
485 Capital Outlay	3,047,890.73	-
Total Expenditures	<u>3,047,890.73</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	<u>(3,047,890.73)</u>	<u>-</u>
Other Financing Uses		
391.02 Long-term Debt Issued	3,047,890.73	-
	<u>3,047,890.73</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
 TID 69 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ 131,755.25
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,331.92
Total Revenue	<u>-</u>	<u>133,087.17</u>
Expenditures:		
485 Capital Outlay	<u>8,107,671.94</u>	-
Total Expenditures	<u>8,107,671.94</u>	-
Excess of Revenue Over (Under) Expenditures	<u>(8,107,671.94)</u>	<u>133,087.17</u>
Other Financing Uses		
391.02 Long-term Debt Issued	<u>8,107,671.94</u>	-
	<u>8,107,671.94</u>	-
Net Change in Fund Balances	-	133,087.17
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 133,087.17</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 LIBRARY BOARD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
350 Fine and Forfeitures		
354 Library	\$ 579,041.00	\$ 115,229.65
360 Miscellaneous Revenue:		
361 Investment Earnings	-	80.68
Total Revenue	<u>579,041.00</u>	<u>115,310.33</u>
Expenditures:		
450 Culture and Recreation		
455 Library	<u>232,739.01</u>	<u>120,253.83</u>
Total Expenditures	<u>232,739.01</u>	<u>120,253.83</u>
Net Change in Fund Balances	346,301.99	(4,943.50)
Fund Balance - Beginning	70,360.88	70,360.88
FUND BALANCE- ENDING	<u><u>\$ 416,662.87</u></u>	<u><u>\$ 65,417.38</u></u>

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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 TEN FISCAL YEARS (UNAUDITED)
(accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$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	\$208,837,368
Restricted	33,357,089	29,457,859	6,682,629	53,279,376	47,176,384	40,701,292	18,539,356	14,758,896	13,366,775	9,046,123
Unrestricted	32,446,186	24,352,521	45,050,470	46,666,209	51,199,627	49,275,876	49,449,544	50,936,346	50,300,225	51,717,860
Total governmental activities net assets	<u>189,442,057</u>	<u>198,073,019</u>	<u>212,236,156</u>	<u>232,856,536</u>	<u>242,105,301</u>	<u>235,266,409</u>	<u>232,681,834</u>	<u>237,877,551</u>	<u>251,460,016</u>	<u>269,601,351</u>
Business-type activities										
Invested in capital assets, net of related debt	139,162,346	149,103,293	158,723,257	169,802,852	188,750,708	216,637,365	244,066,207	259,988,386	\$248,033,105	\$286,399,465
Restricted	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	9,062,146
Unrestricted	14,475,444	15,414,180	14,418,186	18,455,480	18,759,835	25,281,486	24,469,018	29,673,545	33,066,750	35,052,917
Total business-type activities net assets	<u>154,921,542</u>	<u>165,944,750</u>	<u>174,552,659</u>	<u>189,651,503</u>	<u>208,243,613</u>	<u>243,017,856</u>	<u>276,947,197</u>	<u>282,755,880</u>	<u>307,306,421</u>	<u>330,514,528</u>
Primary government										
Invested in capital assets, net of related debt	262,801,118	293,365,932	319,226,314	302,713,803	332,479,998	361,925,606	408,760,141	432,170,695	435,826,121	495,236,833
Restricted	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	18,108,269
Unrestricted	46,921,630	39,766,701	59,468,656	65,121,689	69,959,462	74,657,362	73,917,563	80,609,891	83,366,979	86,770,777
Total primary government net assets	<u>\$344,363,599</u>	<u>\$364,017,769</u>	<u>\$386,788,815</u>	<u>\$422,508,039</u>	<u>\$450,348,914</u>	<u>\$478,283,265</u>	<u>\$509,629,032</u>	<u>\$530,633,431</u>	<u>\$558,766,436</u>	<u>\$600,115,879</u>

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities										
General government	\$ 2,375,909	\$ 2,479,998	\$ 2,571,017	\$ 2,762,455	\$ 2,668,062	\$ 2,892,804	\$ 3,286,640	\$ 2,860,640	\$ 3,161,136	\$ 2,929,869
Public Safety	16,278,315	17,202,666	17,561,359	17,562,771	18,602,753	19,622,564	20,163,551	20,431,619	20,489,978	20,831,125
Public Works	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	18,456,438
Health & Welfare	3,161,437	1,700,072	1,784,414	1,997,014	2,164,755	2,525,610	2,722,023	2,863,046	3,118,121	2,961,340
Culture & Recreation	5,478,909	6,589,028	7,593,391	8,259,883	8,811,502	9,154,160	10,370,786	9,626,459	9,920,803	9,761,625
Conservation & Development	2,529,571	2,570,409	1,412,439	4,299,606	4,028,988	4,633,879	4,789,817	4,686,342	3,754,414	3,477,985
Interest on Long-Term Debt	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	5,721,652
Miscellaneous Expenditures	1,161,500	363	841,713	452,179	3,406,407	1,783,573	1,290,526	1,239,052	1,462,151	1,483,064
Total governmental activities expenses	\$ 37,944,266	\$ 45,305,679	\$ 46,463,925	\$ 49,210,870	\$ 56,050,511	\$ 58,035,610	\$ 61,943,801	\$ 62,053,414	\$ 65,572,246	\$ 65,623,109
Business-type activities										
Water	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	10,256,167
Water Reclamation	3,892,013	4,333,321	5,094,496	5,524,521	6,329,099	6,712,880	6,314,009	6,314,009	6,954,714	7,168,432
Airport	4,034,290	3,850,454	4,122,545	4,501,446	4,842,984	5,112,561	5,104,506	5,212,862	5,495,507	6,951,193
Solid Waste Disposal	1,187,303	1,180,332	1,531,212	1,473,722	1,562,615	1,615,860	1,809,113	2,422,426	2,216,215	2,635,305
Solid Waste MRF	2,126,261	2,045,115	2,682,254	2,648,085	2,678,829	2,565,322	3,837,241	2,875,918	2,620,268	2,936,368
Civic Center	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	9,798,187
Solid Waste Collection	1,283,594	1,597,320	1,515,099	1,739,117	1,947,929	1,947,929	1,654,395	1,665,716	1,825,482	1,926,103
Executive Golf Course	388,184	334,131	256,258	265,590	269,630	229,342	197,005	228,376	213,419	213,818
Cemetery	265,236	241,376	257,614	247,501	241,766	251,580	239,109	248,174	241,980	255,161
Golf Course	640,032	917,716	786,569	767,098	781,217	795,172	1,005,330	1,020,908	980,111	1,320,071
Parking Lot & Area	531,941	475,762	417,396	421,637	486,220	468,009	551,039	577,254	597,240	680,578
Energy Plant	256,976	244,635	247,386	266,218	339,298	301,859	335,356	243,797	367,807	294,442
Ambulance	72,038	1,483,188	1,885,619	1,877,522	1,918,699	2,166,208	2,609,798	2,566,521	2,931,836	2,727,571
Transportation Terminal	25,442,174	73,520	66,387	74,275	84,016	86,237	83,855	100,956	85,460	146,886
Total business-type activities	\$ 25,442,174	\$ 27,470,989	\$ 30,475,103	\$ 32,106,808	\$ 34,923,283	\$ 35,187,690	\$ 38,945,268	\$ 40,971,369	\$ 44,566,788	\$ 47,314,293
Total primary government expense	\$ 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	\$ 112,937,402
Program Revenues										
General government	\$ 1,999,199	\$ 1,623,555	\$ 2,249,915	\$ 2,316,659	\$ 2,291,651	\$ 2,229,739	\$ 1,527,301	\$ 710,270	\$ 874,020	\$ 1,448,935
Public Safety	703,490	871,023	778,487	819,212	1,034,516	950,463	974,646	701,098	733,085	1,105,582
Public Works	427,115	2,711,044	1,007,620	2,869,211	1,578,149	794,565	901,411	1,516,588	125,695	391,789
Health & Welfare	199,885	250,525	223,463	233,081	283,795	285,404	315,629	344,638	389,373	389,373
Culture & Recreation	1,145,509	1,060,690	1,161,478	1,343,438	1,492,145	1,467,547	1,699,456	1,621,920	1,715,176	1,684,726
Conservation & Development	204,425	31,103	172,473	139,406	72,701	1,868,132	1,445,312	1,069,334	942,275	1,661,635
Miscellaneous Revenue	-	-	-	-	-	60,239	75,727	46,268	158,204	82,127
Operating Grants & Contributions	2,430,571	2,140,864	2,004,095	2,068,813	2,785,807	1,944,336	1,523,283	2,294,927	3,104,960	3,104,960
Capital Grants & Contributions	3,917,163	3,917,163	9,150,725	9,709,472	1,586,051	6,231,806	6,855,041	3,175,706	2,316,681	2,316,681
Total governmental activities	\$ 7,110,194	\$ 12,525,957	\$ 16,768,256	\$ 19,501,282	\$ 11,125,815	\$ 15,872,221	\$ 15,317,805	\$ 11,416,759	\$ 10,363,725	\$ 12,185,818

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2008	2010	2011
Business-type activities										
Water	6,181,214	8,833,047	8,199,633	9,413,770	10,041,912	10,986,410	9,679,252	11,846,358	11,476,767	13,457,402
Water Reclamation	4,744,808	4,599,303	4,782,545	6,226,225	6,887,604	6,887,604	8,452,888	8,989,427	9,508,087	9,980,866
Airport	3,289,565	3,329,929	3,541,939	4,053,585	4,288,879	4,288,879	4,917,350	4,689,699	5,160,055	5,346,491
Solid Waste Disposal	1,694,972	1,676,636	1,532,669	1,548,491	1,814,979	2,989,536	2,325,371	2,574,165	2,575,068	2,826,063
Solid Waste MRF	2,277,286	2,794,032	3,238,640	3,413,875	3,354,528	2,110,224	3,610,916	3,149,582	3,364,464	3,990,764
Civic Center	2,809,576	2,995,192	3,140,706	3,525,052	3,062,211	3,174,853	4,206,845	5,830,860	5,403,176	5,403,015
Solid Waste Collection	1,526,468	1,508,526	1,571,225	1,685,053	1,756,437	1,944,670	2,195,863	2,276,553	2,247,255	2,330,246
Executive Golf Course	176,734	156,776	126,587	120,435	131,362	137,418	149,257	139,366	137,337	134,729
Cemetery	127,601	140,694	133,244	156,458	165,945	149,899	156,502	133,273	154,602	155,041
Golf Course	791,025	894,044	787,790	731,191	777,777	793,205	1,078,771	992,481	967,139	1,212,133
Parking Lot & Area	522,746	591,889	566,165	528,062	532,415	520,044	627,201	684,490	678,864	685,135
Energy Plant	228,880	198,671	201,643	328,026	303,371	280,985	284,478	284,478	313,295	248,207
Ambulance	-	1,656,598	2,310,001	2,353,240	2,337,896	2,603,158	3,007,532	2,677,049	2,792,755	3,301,030
Transportation Terminal	30,083	28,867	32,570	33,387	30,494	28,111	35,093	29,854	26,357	29,257
Operating Grants & Contributions	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	10,689,852
Capital Grants & Contributions	30,388,949	31,991,253	35,507,569	43,374,638	45,491,823	44,657,253	45,160,865	49,810,164	52,039,426	59,402,231
Total business-type activities	\$ 37,499,143	\$ 44,617,220	\$ 52,275,825	\$ 62,875,930	\$ 58,617,638	\$ 60,529,474	\$ 61,498,670	\$ 57,226,924	\$ 63,003,152	\$ 71,566,049
Net (Expense) Revenue	(30,834,072)	(32,679,712)	(29,685,669)	(28,709,578)	(44,924,696)	(42,163,389)	(46,625,966)	(50,636,655)	(54,608,521)	(53,437,291)
Governmental activities	4,946,775	4,520,264	5,032,468	11,267,830	10,588,540	9,469,563	7,235,597	4,838,795	7,472,638	12,087,939
Business-type activities	(23,887,297)	(28,159,448)	(24,653,203)	(18,441,748)	(34,356,156)	(32,693,826)	(39,390,399)	(45,797,859)	(47,135,893)	(41,349,353)
Total primary government net expense	\$ 42,487,913	\$ 43,183,244	\$ 43,858,819	\$ 49,957,349	\$ 41,714,297	\$ 41,714,297	\$ 44,066,697	\$ 55,321,001	\$ 67,460,033	\$ 67,068,323
General Revenue and other changes net assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 9,274,656	\$ 9,032,940	\$ 9,074,257	\$ 11,132,203	\$ 12,258,052	\$ 15,094,008	\$ 15,635,849	\$ 18,260,302	\$ 21,530,507	\$ 21,843,116
Sales taxes	27,774,001	32,048,237	32,484,575	35,652,430	38,875,471	40,802,422	43,203,611	42,203,906	43,324,949	45,990,061
Other taxes	1,505,890	570,792	252,291	760,324	1,791,451	266,596	2,139,252	2,371,249	2,183,769	2,053,576
State shared revenue	1,019,875	881,196	1,013,404	888,271	1,101,198	1,147,108	1,137,198	1,094,884	1,207,122	1,260,176
County shared revenue	222,960	232,901	241,368	241,891	246,342	284,357	241,900	250,900	256,456	295,849
Non-program grants & contributions	245,602	135,654	60,571	40,574	47,801	86,546	-	-	-	-
Unrestricted investment earnings	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	2,218,353
Miscellaneous revenue	1,014,342	328,199	229,443	154,137	163,020	196,168	188,734	190,687	159,242	168,552
Gain (loss) on disposal of capital assets	-	(93,316)	115,937	569,595	(248,867)	5,348	(24,180)	(361,924)	(37,131)	(92,165)
Transfers	(1,241,262)	(1,058,976)	(773,944)	(772,400)	(4,520,224)	(20,937,446)	(21,394,867)	(9,904,259)	(3,258,120)	(6,479,194)
Total governmental activities	\$ 42,487,913	\$ 43,183,244	\$ 43,858,819	\$ 49,957,349	\$ 54,173,465	\$ 60,529,474	\$ 61,498,670	\$ 57,226,924	\$ 63,003,152	\$ 71,566,049
Business-type activities										
Taxes:										
Gross Receipts Tax	2,141,193	2,331,448	2,332,024	2,498,853	2,634,751	2,787,145	2,922,529	3,062,280	3,217,015	3,263,928
Other taxes	419,215	180,569	152,877	293,088	169,500	227,308	253,034	243,812	204,896	177,136
Unrestricted investment earnings	804,233	369,269	375,062	356,223	691,989	1,139,903	1,541,453	606,069	1,329,499	1,505,646
Miscellaneous revenue	1,402,208	(132,151)	(88,300)	191,356	13,895	-	663,290	441,478	688,583	937,473
Gain (loss) on disposal of capital assets	-	(132,151)	29,836	(219,115)	(6,785)	411,449	(81,428)	(138,011)	(483,609)	(879,796)
Transfers	1,241,262	6,218,250	7,733,944	3,894,805	8,023,872	20,937,446	21,394,867	9,904,259	3,258,120	6,479,194
Total business-type activities	\$ 6,008,111	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494	\$ 8,401,494
Total primary government	\$ 48,496,024	\$ 51,584,738	\$ 52,280,313	\$ 58,354,793	\$ 67,087,959	\$ 70,935,968	\$ 72,990,164	\$ 65,628,418	\$ 71,406,306	\$ 79,634,543
Change in Net Assets										
Government activities	11,653,841	10,503,532	14,163,150	20,247,771	9,248,769	(449,098)	(2,529,299)	4,684,346	12,951,512	13,631,033
Business-type activities	10,954,886	10,738,614	8,697,909	15,162,635	34,982,814	34,982,814	33,929,342	18,958,682	15,694,942	23,570,920
Total primary government	\$ 22,608,727	\$ 21,242,146	\$ 22,861,059	\$ 35,410,406	\$ 27,840,883	\$ 34,533,716	\$ 31,400,043	\$ 23,643,029	\$ 28,546,454	\$ 37,201,953

TABLE 3

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

	Fiscal Year									
	2002*	2003	2004	2005	2006	2007	2008	2009	2010	2011**
General Fund										
Reserved	\$ 40	\$ 509	\$ 751	\$ 1,072	\$ 920	\$ 685	\$ 2,351	\$ 2,067	\$ 2,232	\$ -
Unreserved	17,840	17,815	17,409	17,470	16,792	16,214	15,190	11,998	10,486	1,872
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	524
Assigned	-	-	-	-	-	-	-	-	-	15,469
Unassigned	-	-	-	-	-	-	-	-	-	17,865
Total General Fund	<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>	<u>\$ 17,865</u>
All Other Governmental Funds										
Reserved	\$ 10,158	\$ 8,449	\$ 9,441	\$ 55,241	\$ 48,454	\$ 46,632	\$ 19,134	\$ 23,288	\$ 20,575	\$ -
Unreserved, reported in										
Special Revenue	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	-
Nonspendable	-	-	-	-	-	-	-	-	-	6,647
Restricted	-	-	-	-	-	-	-	-	-	8,996
Committed	-	-	-	-	-	-	-	-	-	28,639
Assigned	-	-	-	-	-	-	-	-	-	(5,645)
Unassigned	-	-	-	-	-	-	-	-	-	38,636
Total All Other Governmental Funds	<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>\$ 46,067</u>	<u>\$ 45,585</u>	<u>\$ 46,154</u>	<u>\$ 38,636</u>

* Implementation of GASB 34 changed the nature of reserved funds

** Implementation of GASB 54 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$ 37,021	\$ 41,482	\$ 42,391	\$ 47,078	\$ 52,279	\$ 56,278	\$ 60,751	\$ 62,569	\$ 66,828	\$ 69,977
Licenses & Permits	1,440	1,414	1,874	2,048	2,019	2,362	1,913	1,506	1,278	2,892
Intergovernmental	3,591	3,293	3,259	3,139	4,134	5,134	4,721	5,147	7,773	4,661
Charges for Services	3,098	4,963	3,500	5,616	4,503	5,127	4,367	4,247	3,539	3,739
Fines and Forfeits	157	190	240	158	231	207	167	152	134	133
Miscellaneous	4,740	1,837	1,703	1,866	4,792	5,594	3,658	2,628	2,567	2,660
Total Revenues	50,047	53,179	52,967	59,905	67,958	74,702	75,577	76,249	82,119	84,063
Expenditures:										
General Government	1,814	1,914	2,092	2,283	2,215	2,719	2,851	2,642	2,735	2,441
Public Safety	15,219	15,884	16,531	16,938	18,022	19,591	19,419	20,269	20,084	20,112
Public Works	4,181	7,159	7,267	5,782	6,306	15,251	7,380	7,367	7,740	6,936
Health & Welfare	2,970	1,515	1,639	1,868	2,007	2,827	2,362	2,447	2,492	2,535
Culture & Recreation	5,055	5,507	6,498	6,988	7,497	13,476	9,138	8,457	8,524	8,266
Development	2,460	2,518	1,397	4,252	4,007	4,558	4,717	4,742	3,787	3,498
Debt Service										
Interest	2,567	1,830	1,463	1,376	2,842	2,865	3,351	3,359	5,072	5,722
Principal	5,342	6,716	5,392	5,987	7,264	9,366	10,350	12,010	15,921	15,131
Capital Outlay	16,172	20,270	11,982	10,861	11,479	2,194	35,068	27,933	30,164	20,400
Miscellaneous	1,152	-	842	452	3,406	1,693	1,291	1,239	1,482	1,483
Total Expenditures	56,932	63,313	55,103	56,787	65,045	74,540	95,926	90,466	98,002	86,523
Excess of Revenue Over (Under) Expenditures	(6,885)	(10,134)	(2,136)	3,118	2,913	161	(20,348)	(14,216)	(15,882)	(2,460)
Other Financing Sources (Uses)										
Transfers In	12,564	3,027	1,060	1,539	1,550	1,107	2,169	873	1,396	2,372
Transfers Out	(13,805)	(4,086)	(1,834)	(2,011)	(6,070)	(21,306)	(10,528)	(10,777)	(4,654)	(8,851)
Payment to Bond Agent	(13,424)	-	-	-	-	-	-	-	-	-
Proceeds for Borrowing	13,314	-	160	46,824	-	10,920	6,355	16,958	17,610	(2,366)
Sales of Property	377	20	378	629	4	86	20	53	22	4
Total Other Financing Sources (Uses)	(974)	(1,039)	(236)	46,981	(4,516)	(9,194)	(1,983)	7,107	14,374	(8,841)
Net Change in Fund Balance	(7,859)	(11,173)	(2,372)	50,099	(1,603)	(9,032)	(22,332)	(7,110)	(1,509)	(11,301)
Debt Service as a percentage of Noncapital Expenditures	19.4%	19.9%	15.9%	16.0%	18.9%	16.9%	22.5%	24.6%	30.9%	31.5%

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	FRANCHISE TAX	BANK FRANCHISE TAX	LIQUOR TAX REVERSION	AMUSEMENT TAX	COUNTY ROAD TAX	GROSS RECEIPTS TAX	TOTAL
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
2011	22,057	45,990	-	100	377	-	-	296	1,930	70,750

* 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	
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
2011	4,548,347,320	4,921,921,341	(1)	(1)	4,548,347,320	4,921,921,341	0.92

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

(1) No personal property assessed in state.

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

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

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

Fiscal Year	<u>Commercial Construction</u>		<u>Residential Construction</u>		Commercial	<u>Assessed Property Value</u>		Nontaxable (1)
	No. of Permits	Value	No. of Permits	Value		Residential		
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	
2011	42	46,768,678	219	33,809,421	1,811,751,821	2,736,595,499	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
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
2011	3.00	-	-	3.00	13.84	4.84	21.68

CITY OF RAPID CITY
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 DECEMBER 31, 2011

Taxpayer	Type of Business	2011 Assessed Valuation	Percent of Total Assessed Valuation
SM Rushmore Mall	Shopping Mall	\$ 34,759,056	0.76%
Midland Rushmore LLC	Rushmore Crossing	\$ 17,003,510	0.37%
Stoney Creek Associates	Stoney Creek South	\$ 13,395,456	0.29%
Walmart Real Estate	Discount Retail	\$ 13,192,171	0.29%
Black Hills Surgery Center	Medical Center	\$ 12,910,911	0.28%
Rushmore Plaza	Holiday Inn Motel	\$ 12,476,890	0.27%
Regency Rapid City	Ramada Inn Convention Center	\$ 10,638,207	0.23%
Perkins Delaware	Shopping Center	\$ 10,114,080	0.22%
Harmony Heights	Multi Residential Low Rise	\$ 10,046,592	0.22%
Hetherington Flormann	Medical Center	\$ 9,639,475	0.21%
		\$ 144,176,348	3.17%

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		Percent of Delinquent Taxes To Tax Levy (2)
						Total Tax Collections To Tax Levy (2)	Outstanding Delinquent Taxes (2)	
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)
2011	13,167,585	12,922,877	98.1%	404,565	13,327,442	101.2%	(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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A. Agriculture, Forestry	\$ 12,181	\$ 14,167	\$ 15,255	\$ 16,533	\$ 17,372	\$ 20,029	\$ 20,147	\$ 19,366	\$ 18,334	\$ 17,178
B. Mining	12,365	13,074	12,251	14,518	17,175	12,219	18,040	20,913	5,028	6,029
C. Construction	4,723	3,469	3,137	3,096	2,866	2,656	3,312	2,675	44,752	42,487
D. Manufacturing	59,508	57,201	56,610	61,712	74,599	63,597	68,139	41,513	46,057	62,377
E. Transportation & Utility	185,955	170,370	189,469	180,379	197,472	200,465	208,102	211,201	218,423	222,039
F. Wholesale Trade	130,912	124,906	127,620	93,439	99,669	101,264	99,249	83,720	110,130	137,130
G. Retail Trade	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	1,385,775
H. Finance, Insurance	23,656	30,653	39,245	42,497	40,047	37,418	31,904	28,554	26,002	29,292
I. Services	278,365	297,209	307,191	321,978	347,832	367,140	396,052	378,986	399,596	395,459
J. Public Administration	53	47	-	-	-	-	-	-	30	62
K. Other	-	-	-	42	63	-	-	-	52	1,142
Total	\$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	\$2,298,970

Source: SD Department of Revenue

CITY OF RAPID CITY
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2011 (UNAUDITED)

<u>ASSESSED VALUE OF TAXABLE PROPERTY</u>	\$ 4,548,347,320
DEBT LIMITS - General Purposes	227,417,366
Debt Limitation - 5% of Assessed Value	454,834,732
Utilities (Water & Sewer) - 10% of Assessed Value	363,867,786
Streets, Railways or Electric - 8% of Assessed Value	1,046,119,884
Total Debt Limit	1,046,119,884
DEBT APPLICABLE TO LIMITATION *	
General Purposes (5%)	24,410,000
Sales Tax Bonds	4,920,000
Gross Receipts Bonds	2,280,000
Parking Revenue Bonds	15,760,000
Airport Revenue Bonds	455,000
Airport Certificate of Participation	10,225,000
Waste Water Refunding Bonds	32,531,177
Tax Increment Financing	5,532,248
SRF Loans	3,092,868
Capital Leases	99,206,294
Utilities (10%) *	-
Outstanding Debt	-
Streets, Railways or Electric (8%)	-
Outstanding Debt	-
Total Applicable Debt	99,206,294
LONG-TERM OBLIGATIONS NOT SUBJECT TO LIMITATION	32,531,177
TOTAL DEBT AND LONG TERM OBLIGATIONS	\$ 66,675,116
* 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	(106,897)
	\$ 44,993,103

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 634,358	\$ 670,608	\$ 740,673	\$ 790,871	\$ 857,305	\$ 904,924	\$ 994,605	\$ 1,171,917	\$ 1,075,600	\$ 1,046,120
Total net debt applicable to limit	55,984	55,000	49,509	87,400	79,719	80,743	77,944	122,914	78,814	66,675
Legal debt margin	\$ 578,374	\$ 615,608	\$ 691,164	\$ 703,471	\$ 777,586	\$ 824,181	\$ 916,661	\$ 1,049,003	\$ 996,786	\$ 979,445
Total net debt applicable to limit as percentage of debt limit	8.83%	8.20%	6.68%	11.05%	9.30%	8.92%	7.84%	10.49%	7.33%	6.37%

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		Total
2002	21,527,982	9,640,108	11,887,874	993,108	675,897	1,669,005	7.12
2003	14,192,199 (1)	6,997,315 (1)	7,194,884	1,071,672 (3)	739,994	1,811,666	2.52
2004	17,449,741	10,362,410	7,087,331	1,147,940	785,442	1,933,382	2.73
2005	20,928,615	11,650,025	9,278,590	1,488,399	951,352	2,439,751	2.63
2006	21,885,948	13,805,413	8,080,535	1,558,739	776,582	2,335,321	2.89
2007	23,828,508	19,630,615	4,197,893	1,610,630	727,097	2,337,726	1.80
2008	23,676,658	19,255,466	4,421,192	779,213 (3)	664,609	1,443,822	3.06
2009	26,189,975	19,474,691	6,715,284	2,040,269	922,632	2,962,901	2.27
2010	26,824,773	16,882,004	9,942,769	741,237	2,740,194	3,481,431	2.86
2011	29,481,893	14,849,137	14,632,756	1,252,584	3,176,144	4,428,728	3.30

(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</u>		<u>School Enrollment (2)</u>	<u>Unemployment Rate (1)</u>
2002	61,435	(5)	28,580	34.8	(3)	12,832	2.9%
2003	62,552	(5)	29,599	34.8	(3)	12,657	3.7%
2004	64,021	(5)	31,783	34.8	(3)	12,914	3.3%
2005	65,891	(5)	33,165	34.8	(3)	12,932	3.7%
2006	67,447	(5)	35,038	34.8	(3)	13,018	3.1%
2007	69,242	(5)	36,718	34.8	(3)	12,773	2.9%
2008	70,092	(5)	37,621	34.8	(3)	13,116	3.0%
2009	70,004	(5)	N/A	34.8	(3)	13,340	4.7%
2010	67,956	(5)	33,906	34.8	(3)	13,369	5.2%
2011	68,886	(5)	35,360	36.5	(4)	13,671	4.1%

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

(2) Rapid City Independent School District

(3) Official 2000 Census

(4) Unofficial 2010 Census

(5) Estimate provided by the City Transportation Planner

N/A Not available

CITY OF RAPID CITY
PRINCIPAL EMPLOYERS (UNAUDITED)
DECEMBER 31, 2011

Employer	Employees	Rank	Percentage of Employed Work Force
Ellsworth AFB	4,503	1	7.36%
Rapid City Regional Hospital	3,281	2	5.36%
Federal Government	2,905	3	4.75%
City of Rapid City	1,906	4	3.12%
Rapid City Area School District	1,684	5	2.75%
State of South Dakota	1,125	6	1.84%
SD Army National Guard	1,013	7	1.66%
Walmart/Sam's Club	888	8	1.45%
Pennington County	639	9	1.04%
Black Hills Corporation	555	10	0.91%
	18,499		30.24%

Source: Rapid City Economic Development Partnership

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

Function:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	28	28	29	29	30	30	40	44	46	46
Public Safety	123	128	128	129	131	131	130	134	138	142
Police	99	111	112	106	106	106	105	105	105	105
Fire	3	3	3	3	3	3	4	3	3	3
Code Enforcement	2	2	2	2	1	1	1	-	-	-
Advocates for Community Enhancement	2	2	2	2	1	1	1	-	-	-
Public Works	50	50	50	50	50	50	52	52	52	52
Street	23	24	24	24	25	26	26	27	27	28
Public Works Administration	36	36	36	36	36	36	36	37	37	37
Water Operations	25	27	27	27	28	28	28	29	29	29
Wastewater Operations	19	12	12	12	12	12	12	14	14	14
Solid Waste Collection	7	7	7	7	8	8	8	8	8	8
Solid Waste Disposal	13	23	23	23	24	24	24	24	24	24
Waste Municipal Recycling										
Health and Welfare	0	17	17	23	24	30	30	30	30	30
Ambulance	19	19	19	20	23	23	25	27	27	27
Public Transit	1	1	1	1	1	1	1	1	1	1
Air Quality										
Culture and Recreation	3	4	4	3	3	3	3	3	3	3
Recreation	3	4	4	4	4	4	5	4	4	4
Ice Arena	6	6	6	6	7	6	6	6	6	6
Golf Course	19	20	20	20	20	20	22	21	21	21
Parks	2	2	6	6	6	6	6	7	7	7
Swimming Pools	2	3	3	3	3	3	3	3	3	3
Cemetery	28	33	33	33	33	33	34	39	39	39
Library	0	0	2	2	2	2	3	3	3	3
Parks and Recreation Administration	33	33	33	33	33	33	36	36	36	36
Civic Center	7	7	7	7	7	7	7	5	5	5
Energy Plant	2	2	2	2	2	2	2	2	2	2
RSVP	17	17	17	18	19	20	23	23	23	23
Airport Operations										
Conservation and Development	4	4	4	4	4	4	3	3	3	3
GIS Mapping	29	29	29	29	30	33	33	32	30	29
Growth Management	4	4	4	4	4	4	5	5	4	4
Transportation Planning	2	2	2	2	2	2	2	3	3	4
Community Development	4	4	4	4	4	4	4	4	-	-
Parking Lot and Area										
	613	662	670	672	685	695	714	732	732	736

Based on Permanent Budgeted Employees

CITY OF RAPID CITY
 MISCELLANEOUS STATISTICS (UNAUDITED)
 DECEMBER 31, 2011

Date of Incorporation - February 1883

Form of Government - Mayor/Council

Area - Square Miles - 55.015

Miles of Streets - 369.5

Number of Street Lights - 4557

Fire Protection

Number of Stations - 7

Number of Firefighters and Officers (including EMS) - 128

Number of Fire Hydrants - 4,080

Police Protection

Number of Stations - 1

Number of Police Officers - 108

Education (Elementary Only)

Attendance Centers - 16

Number of Students - 6,549

Municipal Water Department

Number of Residential Consumers - 21,780

Average Residential Monthly Consumption - 5,012 gallons

Miles of Water Mains - 422.06

Sewers

Miles of Sanitary Sewer - 322.30

Miles of Storm Sewer - 132.80

Building Permits Issued (including remodeling and repair) - 5,253

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 - 736.875

Total Salaries - \$37,571,170.04

CITY OF RAPID CITY
SURETY BONDS (UNAUDITED)
DECEMBER 31, 2011

Finance Officer

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

Coverage

All employees	\$ 5,000
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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated _____, 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as Findings 2011-1 and 2011-2 to be material weaknesses.

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 2011-3.

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

____, 2011

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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, 2011. 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, 2011.

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.

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

The Honorable Mayor and Common Council
Page Two

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Questioned Costs and Corrective Action Plan as Finding 2011-4 and 2011-5 to be material weaknesses.

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

, 2012

CITY OF RAPID CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	CFDA NUMBERS	AMOUNT
U.S. Department of Housing and Urban Development:		
<i>Direct Federal Funding:</i>		
CDBG Entitlement Grants Cluster	14.218	722,832.36
Community Development Block Grant/Entitlement (Note 2)		18,675.55
ARRA - Community Development Block Grant ARRA Entitlement Grants (Note 2)	14.253	741,507.91
Total CDBG Entitlement Grants Cluster		741,507.91
Total U.S. Department of Housing and Urban Development		741,507.91
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	8,106.44
U.S. Department of Justice:		
<i>Direct Federal Funding:</i>		
Bullet Proof Vest Partnership Program	16.607	9,435.50
Public Safety Partnership and Community Policing Grant	16.710	28,497.99
ARRA - Public Safety Partnership and Community Policing Grant	16.710	200,077.24
Total Highway Planning and Construction Cluster		228,575.23
Edward Byrne Memorial Justice Assistance Grant Program	16.738	48,116.46
Total U.S. Department of Justice		286,127.19
U.S. Department of Transportation:		
<i>Pass-Through the S.D. Department of Transportation:</i>		
Airport Improvement Program	20.106	8,641,959.30
Highway Planning and Construction	20.205	351,011.54
Metropolitan Planning Grants	20.505	26,133.65
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	112,253.60
<i>Direct Federal Funding:</i>		
Federal Transit - Formula Grants	20.507	835,933.00
Total U.S. Department of Transportation		9,967,291.09
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	4,959.94
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	350.00
U.S. Environmental Protection Agency:		
<i>Direct Federal Funding:</i>		
Congressionally Mandated Projects	66.202	821,310.00
<i>Pass-through the SD Department of Environment and Natural Resources</i>		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	11,883.00
<i>Direct Federal Funding:</i>		
Performance Partnership Grant	66.605	49,379.96
Total U.S. Environmental Protection Agency		882,572.96
Department of Energy		
<i>Direct Federal Funding:</i>		
ARRA Energy Efficiency and Conservation Block Grants	81.128	2,051.50
Corporation for National and Community Service:		
<i>Direct Federal Funding:</i>		
Retired and Senior Volunteer Program	94.002	43,443.75
U.S. Department of Homeland Security:		
<i>Direct Federal Funding:</i>		
Assistance to Firefighters Grant	97.044	84,584.00
Total		\$12,020,994.78

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:

Canyon Lake Senior Citizens	18,000.00
Cornerstone Rescue Mission	139,549.40
211 Helpline	5,000.00
Rushmore Consumer Credit Resources	8,171.92
Dakota Plains Legal Services	5,000.00
Wellspring, Inc.	21,945.00
Pennington County Health/Human Services	7,247.27
Housing Coalition	74,360.71
Behavior Management Systems	27,718.53
First Methodist Church	50,000.00
Habitat for Humanities	81,950.95
Rapid City Community Development	82,211.34
Working Against Violence	5,000.00
Salvation Army	4,586.82
Youth & Family Services	5,201.25
Western SD Community Action	71,834.92
Rural American Initiatives	6,443.00
Bethel Assembly of God	6,094.16
Total	620,315.27

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011**

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. Three 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. Two deficiencies are considered material weaknesses.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. Two 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. These deficiencies are considered material weaknesses.
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 for 2011 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. Congressionally Mandated Projects (CFDA #66.202)
 - e. Public Safety Partnership and Community Policing Grant (CFDA #16.710)
8. The threshold for distinguishing type A and B programs was \$360,630.
9. The City was not considered a low-risk auditee under the criteria established in OMB Circular A-133.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

B. FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2011-1 Finding: Financial Statement Preparation

Condition and Cause: The Chief Accountant and Assistant Finance Officer were responsible for the preparation of the financial statements, including note disclosures. However, during the audit process we identified several note disclosures were missing, and the disclosures and presentation regarding Government Accounting Standards Board Statement No. 54 was incomplete. The City does not have a formal process for the financial statements to be reviewed for completeness or accuracy.

Criteria and Effect: Accurate financial reporting is important to the City. The City's financial statements are provided to numerous granting agencies and current and future debt providers. The lack of an adequate review process over the financial statements resulted in material misstatements to the City's financial statements and completeness of note disclosures. These items were corrected during the audit process.

Questioned Costs: None

Recommendation: The City should develop a process to timely review the financial statements and note disclosures for completeness and accuracy. This review could be completed by the Finance Officer, an external consultant, or someone within the City if additional training is provided to obtain the expertise necessary to review the financial statements.

Response/Corrective Action Plan: In the past, the City received audit comments because the current Finance Officer was responsible for the preparation of the financial statements. There was no formal process whereby someone else would examine or analyze the information. While the City took steps to bring additional individuals into the process, additional training is still necessary to allow the Finance Officer to review the financial statements for completeness and accuracy.

Beginning with the financial statement ending December 31, 2012, the City will use the SD Department of Legislative Audit's sample footnotes and a note disclosure checklist to ensure that all necessary footnotes are included in the financial statements prior to providing them to the audit team. In addition, the Finance Officer will commit to setting aside time to review the financial statements prior to providing them to the audit team.

The Finance Officer is responsible for this corrective action plan.

2011-2 Finding: Internal Controls Over Significant Accounts

Condition and Cause: During our audit process, we made nineteen audit adjustments to many areas of the City's financial statements. Due to a lack of adequate review processes, we identified the following specific situations:

1. We identified capital asset purchases that were not properly added to the capital asset listings.
2. We determined that the classification between capital asset categories was not consistent or accurate between the general ledger and the capital asset records.
3. We identified an unrecorded debt draw and removed a receivable for a future drawdown of debt proceeds.
4. We recorded several adjustments to correct due from other governments for grant funds and accounts receivable.
5. We noted an entry was incorrectly posted to record interest expense through accounts payable.
6. We posted several entries to reclassify revenues to appropriate accounts.

Criteria and Effect: The City's financial statements are provided to numerous granting agencies and current and future debt providers. The City does not have adequate internal controls to ensure the identification and proper recording of revenues at year-end. The lack of review over the year-end process resulted in material audit adjustments.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

B. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

SIGNIFICANT DEFICIENCY

2011-2 Finding: Internal Controls Over Significant Accounts (Continued)

Questioned Costs: None

Recommendation: City finance personnel should prepare additional supporting schedules and analytically review year-end balances to assist in determining the financial statements are accurate. City finance personnel should obtain additional training to gain an understanding of the year-end entries and reconciliation processes. Year-end entries and supporting schedules should be reviewed by the Finance Officer before the financial statements are prepared.

Response/Corrective Action Plan: Once the 2011 CAFR has been finalized, the staff involved with the preparation process will have an "after-action" meeting to evaluate more completely what can be improved upon. Specifically to be addressed is to determine which individual(s) is responsible for which part of the financial statement information. Additional supporting schedules and analytical reviews will be implemented to assist in determining if the financial statements are accurate. The Finance Officer will commit to reviewing the year-end entries and supporting schedules before the financial statements are prepared.

In addition, the Finance Office will take advantage of any training opportunities that become available which would allow staff to obtain additional understanding of the year-end entries and reconciliation processes.

The Finance Officer is responsible for this corrective action plan.

2011-3 Finding: Budgetary Overdraft

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

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 continues to develop procedures to ensure supplemental appropriation ordinances are approved as budget overdrafts are identified. The Finance Office will also 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 this corrective action plan.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2011

C. FINDINGS – COMPLIANCE AUDIT

MATERIAL WEAKNESSES

2011-4 Finding: Federal Grant Monitoring

Condition and Cause: We noted no actual noncompliance or questioned costs with grant requirements during 2011. However, we noted that the City does not have an overall review process to ensure that all grant requirements are met. We specifically noted the following:

1. The City failed to accurately or completely report federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA). See Finding 2011-5. In addition, we identified \$6,180,594 of federal expenditures related to 2008, 2009, and 2010 that were not properly reported on the respective year's SEFA.
2. The City failed to complete federal grant drawdowns for approximately two years from South Dakota Department of Transportation totaling \$4,142,233 (part of the error noted in 1 above). When drawdowns were finally completed, the drawdown requests improperly included expenditures outside of the approved grant award and the City's matching portion.
3. The City does not properly verify that vendors under service contracts are not suspended or debarred. In addition, it is not the City's policy to follow procurement processes for service contracts exceeding \$100,000.
4. The City does not have adequate review processes to ensure that grant reports are properly completed and filed timely. The City was unaware of a new reporting requirement for the Community Development Block Grant Cluster (CFDA #14.218 and 14.253).

This finding related to all major programs.

Criteria and Effect: The City receives many different federal grants that include numerous compliance requirements. Without proper review and tracking processes of these compliance requirements, the City could fail to maintain compliance with the federal grants. Such noncompliance with federal grants could potentially result in the City losing federal funding.

The City's federal grant monitoring process generally is assigned to one person in the finance office. With most grants, a department head or program director is also assigned to each grant, and their duties include monitoring compliance with their grant. In addition, some of the federal grants come through the State of South Dakota, who also assigns a person to monitor grant compliance. There is substantial effort expended by these personnel to monitor compliance. For many grants, these efforts are coordinated and reviewed between two or more personnel noted above. However, for some grants there is limited or no coordination and review among these personnel. Accordingly, and as noted above, certain deficiencies did occur. In addition, based on lack of complete coordination of grant monitoring procedures, more deficiencies may occur in the future.

Questioned Costs: None

Recommendation: The City should change and/or strengthen its grant monitoring procedures as follows:

- a) Coordination of grant monitoring should be required for each federal grant by finance office personnel and at least one grant program person. When each grant is awarded, each person should be assigned duties related to monitoring grant compliance. There should be a cross review of each other's monitoring work.
- b) Periodic (e.g. at least semi-annual) compliance update reports should be made to the Finance Officer for review and follow-up.
- c) Year-end accounting closeout procedures should include a review of the revenue accrual status for each federal grant.
- d) All federal funds should be drawn down as available to maximize the City's cash flows.

The City will need to ensure that necessary corrections to the 2008, 2009, and 2010 SEFAs are properly made.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2011

C. FINDINGS – COMPLIANCE AUDIT (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

2011-4 Finding: Federal Grant Monitoring (Continued)

Response/Corrective Action Plan: The Finance Office continues to evaluate its processes and procedures to improve the grant reporting review process and ensure compliance with grant requirements. As part of that process, the Finance Office will be working with the other departments to encourage them to request grant reimbursements on a more regular basis. In addition, supporting schedules will be prepared to review the revenue accrual status for each federal grant and the Assistant Finance Officer will be conducting periodic compliance reviews and follow-up.

The Finance Officer is responsible for this corrective action plan.

2011-5 Finding: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Condition and Cause: The City prepared the 2011 SEFA. However, audit adjustments occurred for:

1. Federal Transit (CFDA #20.507) was decreased by \$52,585 as a drawdown was counted twice.
2. Airport Improvement Program (CFDA #20.106) was decreased by \$395,298 as State fund portions were incorrectly included on the SEFA.
3. Highway Planning (CFDA # 20.205) was increased by \$59,309 as the City was unaware of certain grant expenditures that were considered federal.

This finding related to all major programs.

Criteria and Effect: The City is required to accurately prepare the SEFA in accordance with OMB Circular A-133. Federal grantor agencies rely on the accuracy of the City's SEFA report for tracking their support. Failure to report accurately could potentially result in the City being noncompliant, which could jeopardize federal funding. The current internal controls for grant reporting on the SEFA are not sufficient to ensure 100 percent accuracy. The controls over the reconciliation of federal revenues and expenditures to the general ledger for the SEFA at year-end are incomplete. All cost reimbursement grants were not reviewed for accurate reporting on the SEFA. Finance personnel did not complete the formal cash to accrual reconciliation of federal awards and perform an analytical review of grant revenues for the SEFA.

Questioned Costs: None

Recommendation: With implementation of the recommendations noted in Finding #4 above, the controls over the annual SEFA reporting should be improved. In addition, at year end the Finance Officer should direct the preparation of a formal reconciliation of all federal grant revenue and expenditures reported in the general ledger to the annual SEFA report. This report should be reviewed by the Finance Officer upon completion.

Response/Corrective Action Plan: The Finance Office is continuing to develop a system of controls over the preparation of the SEFA to ensure accurate reporting, to include a reconciliation of federal expenditures and revenues reported in the general ledger to the annual SEFA report. It is imperative that the various departments receiving federal funding notify the Finance Office of said funding to ensure those programs are included in the SEFA report, which is typically accomplished by providing a copy of the grant agreement, including the CFDA number, to the Finance Office.

In addition, the Finance Office will seek to implement a new financial and accounting software package beginning in FY2013 in which a grants management application will be included.

The Finance Officer is responsible for this corrective action plan.

CITY OF RAPID CITY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011**

Status of Prior Audit Findings and Recommendations:

Finding 2010-1 Capital Asset Records and Adjustments: This finding has been repeated as part of finding 2011-2.

Finding 2010-2 Budgetary Overdrafts: This finding has been repeated as Finding 2011-3.

Finding 2010-3 Federal Grant Reporting: This finding has been repeated and expanded as Finding 2011-4.

Finding 2010-4 Preparation of the Schedule of Expenditures of Federal Awards: This finding has been repeated and expanded as Finding 2011-5.

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