

**CITY OF RAPID CITY,
SOUTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2008

PREPARED BY:
DEPARTMENT OF FINANCE
JAMES F. PRESTON, FINANCE OFFICER

CITY OF RAPID CITY, SOUTH DAKOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

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CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

300 Sixth Street
Rapid City, SD 57701-5035
(605) 394-4143

October 26, 2009

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, 2008 was prepared by the City Finance Office. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

Format:

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

1. The Introductory Section includes a description of the form of government, the names of the elected officials and principal officers of the City, the organization chart, and this letter of transmittal.
2. The Financial Section includes the general purpose financial statements accompanied by our independent auditor's opinion. It also includes required and other supplementary statements.
3. The Statistical Section includes tables of unaudited data depicting the financial history of the government for the past ten (10) years (with the exception of Tables 1 & 2), information on overlapping governments, demographics, and other miscellaneous information. Tables 1 and 2 are depicted for only eight (8) years due to the implementation of GASB 34 in 2001. Prior to that, government-wide data is not available.
4. The Single Audit Section includes the Schedule of Expenditures of Federal Awards. Also included are various auditor reports in regards to compliance and internal controls.



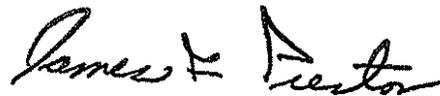
This Financial Report includes all funds of the City. The City provides a full range of services, including police and fire protection, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.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

Annual audits of the books of account, financial records, and transactions of the administrative departments of the City are conducted by the State of South Dakota Department of Legislative Audit or by independent certified public accountants selected by the City Council, which for 2008 was Casey Peterson & Associates, Ltd. The independent certified public accountants' unqualified opinion has been included with this report.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "James F. Preston". The signature is written in a cursive style with a large, prominent initial "P".

James F. Preston
Finance Officer

CITY OF RAPID CITY
ELECTIVE OFFICIALS AND PRINCIPAL OFFICERS
DECEMBER 31, 2008

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, 2008 were as follows:

<u>ELECTIVE OFFICIALS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Alan Hanks	Mayor	2009
Patty Martinson	Council Representative	2010
Ron Weifenbach	Council Representative	2009
Sam Kooiker	Council Representative	2010
Deb Hadcock	Council Representative	2009
Karen Gunderson Olson	Council Representative	2010
Bill Okrepie	Council Representative	2009
Lloyd LaCroix	Council Representative	2010
Ron Kroeger	Council Representative	2009
Aaron Costello	Council Representative	2009
Malcom Chapman	Council Representative	2010

PRINCIPAL OFFICERS

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

CITY OF RAPID CITY
APPOINTED BOARDS
December 31, 2008

LIBRARY BOARD – 3 YEAR TERMS

TERM EXPIRES

James Olson, Chairman	December 2010
Stephanie Big Crow	December 2010
Sandra McNeely	December 2010
Maria McCarthy-Anderson	December 2010
Monte Loos	December 2009

CIVIC CENTER BOARD – 3 YEAR TERMS

Eddie Rypkema, Chairman	January 2009
Bill Waugh	January 2009
Dave Davis	January 2010
Batool Merali	January 2009
John Herr	January 2010

AIRPORT BOARD – 5 YEAR TERMS

Jennifer Landguth, President	May 2010
Ron Johnsen	May 2011
Jerry Brown	May 2009
Jerome Mitchell	May 2010
Bert Corwin	May 2009

PLANNING COMMISSION – 3 YEAR TERMS

Karen Waltman, Chairman	July 2011
Gary Brown	July 2009
Tom Hennies	July 2011
John Brewer	July 2010
Andy Scull	July 2010
Linda Marchand	July 2010
Steve Rolinger	July 2011
Julie Gregg	July 2011
Peter Anderson	July 2009
Dennis Landguth	July 2009

CITY OF RAPID CITY
 ORGANIZATIONAL CHART
 DECEMBER 31, 2008

CITIZENS

ELECTORATE OF RAPID CITY, SOUTH DAKOTA
CITY COUNCIL

MAYOR
 Alan Hanks

Library Board
 James Olson, Chairman

Civic Center Board
 Eddie Rypkema, Chairman

Library Director
 Greta Chapman

Civic Center Director
 Brian Maliske

Planning Commission
 Karen Waltman, Chairman

Airport Board
 Jennifer Landguth, President

Growth Management Director
 Marcia Elkins

Airport Manager
 Cameron Humphres

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

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Independent Auditors' Report

To the City Council
City of Rapid City, South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of City of Rapid City (the City), South Dakota, as of and for the year ended December 31, 2008, which collectively comprises the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Museum Alliance of Rapid City, Inc, which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Museum Alliance of Rapid City, Inc. component unit, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other budgetary comparison schedules for the general and major special revenue funds on pages 3 through 10 and 61 through 67, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota
October 26, 2009

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, 2008. 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 \$509,629,031.62 (Net assets). Of this amount, \$72,714,465.26 (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 \$31,400,042.86.
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$63,608,951.67.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,189,710.95 or about thirty-five percent (35%) of total general fund expenditures.
- The City of Rapid City's total debt increased by \$1,082,111.21 during the current fiscal year after taking into account the other post employment benefit liability, which increased the liability balance by \$869,406.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City of Rapid City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and three special revenue funds, all of which are considered to be major funds. Data from the other thirty-three (33) 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 27-60 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 61-67.

Other Information. The supplementary combining statements referred to earlier in connection with non-major governmental and proprietary funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68-121 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 \$509,629,031.62 at the close of the most recent fiscal year.

By far the largest portion of the City of Rapid City’s total assets (80.3%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Rapid City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Rapid City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

	Government Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Current and Other Assets	\$ 100,635	\$ 77,986	\$ 32,697	\$ 39,769	\$ 133,332	\$ 117,755
Capital Assets	213,192	228,718	238,338	269,384	451,530	498,102
Total Assets	313,827	306,704	271,035	309,153	584,862	615,857
Long-term liabilities outstanding	69,728	56,116	23,452	24,834	93,180	80,950
Other liabilities	8,888	17,906	4,565	7,372	13,453	25,278
Total liabilities	78,616	74,022	28,017	32,206	106,633	106,228
<u>Net assets:</u>						
Invested in capital assets, net of related debt	145,292	164,694	216,637	244,066	361,929	408,760
Restricted	40,648	18,539	1,099	9,615	41,747	28,154
Unrestricted	49,271	49,449	25,282	23,266	74,553	72,715
Total net assets	\$ 235,211	\$ 232,682	\$ 243,018	\$ 276,947	\$ 478,229	\$ 509,629

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 (\$72,714,465.26) may be used to meet the City’s ongoing obligations to citizens and creditors.

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

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

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program Revenues						
Charges for services	\$ 7,696	\$ 6,939	\$ 38,021	\$ 40,731	\$ 45,717	\$ 47,670
Operating grants & contributions	1,944	1,523	-	-	1,944	1,523
Capital grants and contributions	6,151	6,855	6,637	5,449	12,788	12,304
General Revenues						
Property taxes	15,094	15,636	-	-	15,094	15,636
Other taxes	41,069	45,343	3,024	3,176	44,093	48,518
State/County shared revenue	1,431	1,379	-	-	1,431	1,379
Unrestricted investment earnings	4,770	2,972	1,140	1,541	5,910	4,514
Other	288	163	411	582	699	745
Total Revenues	78,443	80,810	49,233	51,479	127,676	132,289
Expenses:						
General government	2,883	3,286	-	-	2,883	3,286
Public safety	19,622	20,163	-	-	19,622	20,163
Public works	14,224	15,970	-	-	14,224	15,970
Health and welfare	2,526	2,722	-	-	2,526	2,722
Conservation & development	4,690	4,790	-	-	4,690	4,790
Culture & recreation	9,154	10,371	-	-	9,154	10,371
Interest on long-term debt	3,126	3,351	-	-	3,126	3,351
Miscellaneous	1,784	1,291	-	-	1,784	1,291
Water reclamation	-	-	6,713	6,391	6,713	6,391
Water	-	-	7,337	6,209	7,337	6,209
Golf	-	-	795	1,005	795	1,005
Recycling	-	-	2,565	3,837	2,565	3,837
Executive Golf	-	-	229	197	229	197
Airport	-	-	5,113	6,105	5,113	6,105
Waste collection	-	-	1,948	1,554	1,948	1,554
Waste disposal	-	-	616	1,809	616	1,809
Civic center	-	-	6,599	8,019	6,599	8,019
Cemetery	-	-	252	239	252	239
Parking	-	-	468	551	468	551
Energy plant	-	-	302	335	302	335
Transportation terminal	-	-	86	84	86	84
Ambulance	-	-	2,165	2,610	2,165	2,610
Total Expenses	58,009	61,944	35,188	38,945	93,197	100,889
Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers	20,434	18,866	14,045	12,534	34,479	31,400
Fund Transfers	(20,937)	(21,395)	20,937	21,395	-	-
Change in Net Assets	(503)	(2,529)	34,982	33,929	34,479	31,400
Net Assets-Beginning	242,105	235,211	208,244	243,018	450,349	478,229
Prior Period Adjustment	(6,391)	-	(208)	-	(6,599)	-
NET ASSETS – ENDING	\$ 235,211	\$ 232,682	\$ 243,018	\$ 276,947	478,229	\$ 509,629

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 \$63,608,951.67. Approximately 66.5% of this total amount (\$42,123,715.54) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$13,232,618.98), 2) for inventories (\$431,863.77), 3) for advances to other funds (\$5,343,104.44), 4) notes receivable (\$2,455,720.37), 5) for the business improvement district (\$17,811.62) and 6) for the RSVP program (\$4,116.95).

The General Fund balance increased by \$641,403.15 in 2008, which was due to an increase in revenues such as sales tax and interest earned. The 2012 Sales Tax Fund balance decreased \$14,825,438.29 due to payment for projects as approved in the 2012 plan. The Consolidated Construction Fund balance decreased \$6,542,236.90 due to payment for projects as approved in the Construction Improvement plan. The Utility Facilities Fund balance decreased by \$4,284,012.56 due to payment for projects as approved in the Utility Facilities plan.

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 - \$4,122,714.77, wastewater - \$6,371,639.51, airport - \$3,466,635.95, waste recycling - \$3,157,964.96, civic center - \$121,982.72, waste collection - \$597,316.25, waste disposal - \$4,393,664.56, executive golf - \$22,195.01, cemetery - \$68,369.06, golf - (\$20,152.00), parking lot - (\$1,556,815.10), energy plant - (\$198,811.56) ambulance - \$2,200,362.65 and transportation terminal - \$94,375.36. Ten funds had increases in net assets in 2008 and those increases are as follows: water - \$7,848,305.33, wastewater - \$6,366,507.59, airport - \$885,232.60, waste recycling - \$1,794,964.05, civic center - \$14,134,701.16, waste collection - \$628,805.44, waste disposal - \$895,907.81, golf - \$53,718.89, parking - \$774,169.21, ambulance \$412,902.38. Four funds had decreases in net assets. These decreases are as follows: executive golf - (\$2,712.87), cemetery - (\$9,809.06), energy plant - (\$37,590.28), and transportation terminal (\$1,654.73).

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 2008 the City of Rapid City spent \$905,491.80 less than the budgeted amount in the General Fund Police. This is due primarily to not being fully staffed and not purchasing as much supplies and equipment as was anticipated. Also in 2008 the City of Rapid City spent \$1,018,629.08 less than the budgeted amount in the General Capital Outlay. This is also primarily due to not purchasing as much equipment or completing as many projects as was 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, 2008 amounts to \$408,760,140.56 (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: expansion of the Dahl; expansion of the Rushmore Plaza Civic Center; completion of the parks maintenance building; Roosevelt Park improvements; infrastructure improvements; replacement of multiple vehicles and large pieces of equipment.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2008	2007	2008	2007	2008
Land and land improvements	\$ 39,489	\$ 39,944	\$ 15,116	\$ 15,340	\$ 54,605	\$ 55,284
Buildings	59,822	61,665	105,128	105,322	164,950	166,987
Improvements	181,585	193,110	198,293	210,950	379,878	404,060
Machinery and equipment	22,377	24,442	17,556	20,616	39,933	45,058
Construction in Progress	7,477	18,170	23,359	45,008	30,836	63,179
Total	310,750	337,331	359,452	397,236	670,202	734,567
Less accumulated depreciation	(97,558)	(108,613)	(121,114)	(127,852)	(218,672)	(236,465)
Total capital assets being depreciated	\$ 213,192	\$ 228,718	\$ 238,338	\$ 269,384	\$ 451,530	\$ 498,102

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2008	2007	2008	2007	2008
Revenue Bonds	\$ 57,788	\$ 49,802	\$ 8,282	\$ 13,033	\$ 66,070	\$ 62,835
Unamortized Premium	1,969	1,642	(285)	(117)	1,684	1,525
Revolving Loan	486	2,762	12,362	11,401	12,848	14,163
Landfill Closure	-	-	1,163	1,203	1,163	1,203
Tax Increment Financing	7,202	9,018	-	-	7,202	9,018
Lease/Purchase	231	801	1,341	1,000	1,572	1,801
Other Post Employment Benefits	-	631	-	239	-	870
Compensated Absences	2,051	2,080	589	766	2,640	2,846
Total	\$ 69,727	\$ 66,736	\$ 23,452	\$ 27,525	\$ 93,179	\$ 94,261

Long-term debt.

Government activities:	\$66,736,167.59
Business-type activities	<u>27,525,507.62</u>
	\$94,261,675.21
Current portion	\$13,312,913.92

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

State statute limits the amount of general obligation debt a South Dakota city may issue to assessed value of taxable property. The current debt limitation for the City of Rapid City is \$994,604,928. \$77,944,384 of the City's outstanding debt is counted within the statutory limitation although the debt is wholly or partially financed by revenues other than a general tax levy.

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

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

**CITY OF RAPID CITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS:				
Cash & Cash Equivalents	\$ 23,784,556.58	\$ 13,181,087.79	\$ 36,965,644.37	\$ 161,798.00
Investments	27,674,098.09	12,973,721.39	40,647,819.48	-
Accounts Receivable, Net	11,590,854.73	7,014,992.63	18,605,847.36	11,144.00
Internal Balances (see Note 5)	3,437,440.71	(3,437,440.71)	-	-
Other Assets	431,863.77	226,994.10	658,857.87	171,397.00
Deferred Charges	542,671.00	194,759.34	737,430.34	-
Restricted Assets:				
Cash with Fiscal Agent	10,524,402.97	8,411,972.54	18,936,375.51	-
Restricted Cash	-	1,203,097.30	1,203,097.30	172,432.00
Capital Assets:				
Land and Construction in Progress (see Note 2)	58,114,060.09	60,347,951.37	118,462,011.46	-
Other Capital Assets, Net of Depreciation (see Note 2)	170,604,313.55	209,035,615.30	379,639,928.85	53,959.00
TOTAL ASSETS	<u>\$ 306,704,261.49</u>	<u>\$ 309,152,751.05</u>	<u>\$ 615,857,012.54</u>	<u>\$ 570,730.00</u>
LIABILITIES:				
Accounts Payable	\$ 5,793,276.25	\$ 3,518,911.91	\$ 9,312,188.16	\$ 25,393.00
Other Current Liabilities	1,492,983.41	1,161,134.14	2,654,117.55	20,924.00
Noncurrent Liabilities				
Due Within One Year	10,620,328.72	2,692,585.20	13,312,913.92	-
Due in More Than One Year	56,115,838.87	24,832,922.42	80,948,761.29	-
TOTAL LIABILITIES	<u>74,022,427.25</u>	<u>32,205,553.67</u>	<u>106,227,980.92</u>	<u>46,317.00</u>
NET ASSETS:				
Invested in Capital Assets Net of Related Debt	164,693,933.89	244,066,206.67	408,760,140.56	53,959.00
Restricted for:				
Debt Service	10,524,402.97	8,411,972.54	18,936,375.51	-
Cemetery Trust Fund	18,437.56	-	18,437.56	-
Cemetery Trust Fund - Nonexpendable	50,000.00	-	50,000.00	-
Other Purposes - TID Debt Service	2,708,216.01	-	2,708,216.01	-
Other Purposes - Business Impr District	17,811.62	-	17,811.62	-
Other Purposes - RSVP	4,116.95	-	4,116.95	-
Other Purposes - Component Unit	-	-	-	172,432.00
Other Purposes - Internal Service Funds	5,216,370.85	-	5,216,370.85	-
Unrestricted	49,448,544.39	24,469,018.17	73,917,562.56	298,022.00
TOTAL NET ASSETS	<u>232,681,834.24</u>	<u>276,947,197.38</u>	<u>509,629,031.62</u>	<u>524,413.00</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 306,704,261.49</u>	<u>\$ 309,152,751.05</u>	<u>\$ 615,857,012.54</u>	<u>\$ 570,730.00</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, 2008

	----- Program Revenues -----				Net (Expense) Revenue and ----- Changes in Net Assets -----			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Functions/Programs								
Primary Government								
Governmental Activities:								
General Government	\$ 3,286,640.29	\$ 1,527,300.90	\$ -	\$ -	\$ (1,759,339.39)	\$ -	\$ (1,759,339.39)	\$ -
Public Safety	20,163,550.94	974,645.77	120,596.57	-	(19,068,308.60)	-	(19,068,308.60)	-
Public Works	15,969,521.06	901,411.41	-	5,036,675.62	(10,031,434.03)	-	(10,031,434.03)	-
Health and Welfare	2,722,022.51	315,628.92	272,443.68	1,818,365.00	(315,584.91)	-	(315,584.91)	-
Culture, Recreation	10,370,785.59	1,699,455.85	109,220.12	-	(8,562,109.62)	-	(8,562,109.62)	(42,332.00)
Conservation and Development	4,789,817.45	1,445,311.83	1,021,022.55	-	(2,323,483.07)	-	(2,323,483.07)	-
Interest on Long Term Debt	3,350,937.38	-	-	-	(3,350,937.38)	-	(3,350,937.38)	-
Miscellaneous Expenditures	1,290,525.58	75,726.66	-	-	(1,214,798.92)	-	(1,214,798.92)	-
Total Governmental Activities	61,943,800.80	6,939,481.34	1,523,282.92	6,855,040.62	(46,625,995.92)	-	(46,625,995.92)	(42,332.00)
Business-Type Activities:								
Water	6,208,565.30	9,679,251.51	-	936,292.34	-	4,406,978.55	4,406,978.55	-
Water Reclamation	6,391,356.28	8,452,855.89	-	788,800.37	-	2,850,299.98	2,850,299.98	-
Airport	6,104,505.22	4,917,350.18	-	1,724,372.90	-	537,217.86	537,217.86	-
Solid Waste Disposal	1,809,113.35	2,325,371.48	-	-	-	516,258.13	516,258.13	-
Solid Waste MRF/Compost	3,837,240.65	3,610,915.54	-	-	-	(226,325.11)	(226,325.11)	-
Civic Center	8,018,600.76	4,206,844.54	-	2,000,000.00	-	(1,811,756.22)	(1,811,756.22)	-
Solid Waste Collection	1,554,394.78	2,195,862.86	-	-	-	641,468.08	641,468.08	-
Executive Golf Course	197,004.56	149,256.95	-	-	-	(47,747.61)	(47,747.61)	-
Cemetery	239,108.72	156,502.06	-	-	-	(82,606.66)	(82,606.66)	-
Golf Course	1,005,329.59	1,078,770.52	-	-	-	73,440.93	73,440.93	-
Parking Lot & Area	551,039.11	627,200.79	-	-	-	76,161.68	76,161.68	-
Energy Plant	335,356.02	288,591.57	-	-	-	(46,764.45)	(46,764.45)	-
Ambulance	2,609,797.98	3,007,531.82	-	-	-	397,733.84	397,733.84	-
Transportation Terminal	83,855.41	35,093.42	-	-	-	(48,761.99)	(48,761.99)	-
Total Business-type Activities	38,945,267.73	40,731,399.13	-	5,449,465.61	-	7,235,597.01	7,235,597.01	-
Total Primary Government	\$ 100,889,068.53	\$ 47,670,880.47	\$ 1,523,282.92	\$ 12,304,506.23	\$ (46,625,995.92)	\$ 7,235,597.01	\$ (39,390,398.91)	\$ (42,332.00)
General Revenues:								
Taxes:								
Property Taxes					15,635,848.66	-	15,635,848.66	-
Sales Taxes					43,203,611.11	2,922,529.31	46,126,140.42	-
Other Taxes					2,139,252.49	253,034.11	2,392,286.60	-
State Shared Revenue					1,137,197.87	-	1,137,197.87	-
County Shared Revenue					241,899.88	-	241,899.88	-
Unrestricted Investment Earnings					2,972,200.72	1,541,452.50	4,513,653.22	-
Miscellaneous Revenue					185,733.51	663,289.55	849,023.06	-
Loss on disposal of Capital Assets					(24,180.33)	(81,427.61)	(105,607.94)	-
Transfers					(21,394,867.38)	21,394,867.38	-	-
Total General Revenue and Transfers					44,096,696.53	26,693,745.24	70,790,441.77	-
Change in Net Assets					(2,529,299.39)	33,929,342.25	31,400,042.86	(42,332.00)
Net Assets, Beginning					235,211,133.63	243,017,855.13	478,228,988.76	566,745.00
Net Assets, Ending					\$ 232,681,834.24	\$ 276,947,197.38	\$ 509,629,031.62	\$ 524,413.00

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

**CITY OF RAPID CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
101 Cash and Cash Equivalents	\$ 275,707.26	\$ 8,703,471.01	\$ 1,325,518.61	\$ 3,721,322.73	\$ 3,623,587.68	\$ 17,649,607.29
102 Restricted Cash	-	-	-	-	4,577.04	4,577.04
106 Cash with Fiscal Agent, Restricted	-	4,800,595.11	2,984,855.19	2,738,952.67	-	10,524,402.97
151 Investments	10,852,757.19	6,848,129.22	7,128,138.41	1,177,164.08	47,944.18	26,054,133.08
110 Property Taxes Receivable--Delinquent	419,209.21	-	-	-	198,487.03	617,696.24
110 Sales Tax Receivable	2,479,865.29	1,239,932.64	1,239,932.64	431,280.75	-	5,391,011.32
115 Accounts Receivable	61,612.06	30,165.00	561,090.16	-	73,660.70	726,527.92
116 Estimated Uncollectable Accounts Receivable	-	-	(29,100.00)	-	-	(29,100.00)
121 Special Assessments Receivable--Current	25,920.97	-	-	-	26,294.91	52,215.88
122 Special Assessments Receivable--Delinquent	38,506.85	-	-	-	13,855.78	52,362.63
123 Special Assessments Receivable--Deferred	281,261.69	-	-	-	13,653.00	294,914.69
128 Notes Receivable	-	-	2,455,720.37	-	-	2,455,720.37
131 Due from Other Funds (see Note 5)	2,312,715.42	22,336.26	643,722.29	60,000.00	-	3,038,773.97
133 Advance to Other Funds (see Note 5)	1,919,145.36	103,575.30	651,383.78	2,669,000.00	-	5,343,104.44
132 Due from Other Governments (see Note 6)	844,540.61	-	460,000.00	-	2,808.95	1,307,349.56
135 Interest Receivable	20,107.37	76,268.12	54,614.25	36,521.03	5,590.73	193,101.50
144 Inventory	431,863.77	-	-	-	-	431,863.77
TOTAL ASSETS	\$ 19,963,213.05	\$ 21,824,472.66	\$ 17,475,875.70	\$ 10,834,241.26	\$ 4,010,460.00	\$ 74,108,262.67
LIABILITIES AND FUND BALANCES:						
<i>Liabilities:</i>						
201 Claims Payable	1,406,124.45	632,430.21	802,911.24	-	315,981.37	3,157,447.27
216 Wages Payable	482,024.95	-	-	-	6,546.59	488,571.54
208 Due to Other Funds (see Note 5)	-	-	-	-	181,310.32	181,310.32
215 Accrued Interest Payable - Arbitrage	-	534,018.79	-	191,714.19	-	725,732.98
209 Advance from Other Funds (see Note 5)	-	-	-	-	4,338,648.65	4,338,648.65
224 Deferred Revenue	534,343.57	-	991,990.16	-	81,266.51	1,607,600.24
Total Liabilities	2,422,492.97	1,166,449.00	1,794,901.40	191,714.19	4,923,753.44	10,499,311.00
<i>Fund Balances:</i>						
261 Reserved For:						
261.02 Inventories	431,863.77	-	-	-	-	431,863.77
261.03 Advance to Other Funds	1,919,145.36	103,575.30	651,383.78	2,669,000.00	-	5,343,104.44
261.04 Debt Service	-	4,800,595.11	2,984,855.19	2,738,952.67	-	10,524,402.97
261.16 Notes Receivable	-	-	2,455,720.37	-	-	2,455,720.37
261.16 TIDS - Debt Service	-	-	-	-	2,708,216.01	2,708,216.01
261.16 Business Improvement District	-	-	-	-	17,811.62	17,811.62
261.16 RSVP	-	-	-	-	4,116.95	4,116.95
262 Unreserved Fund Balances:						
262.01 Designated for Next Year's Appropriation	1,770,715.00	786,646.00	1,269,648.00	-	-	3,827,009.00
262.04 Designated for Capital Replacements: Special Revenue Funds	-	-	8,319,366.96	5,234,574.40	-	13,553,941.36
262.09 Undesignated	13,418,995.95	14,967,207.25	-	-	-	28,386,203.20
Undesignated, Reported in nonmajor:						
Special Revenue Funds	-	-	-	-	247,767.15	247,767.15
Debt Service Funds	-	-	-	-	(3,959,642.73)	(3,959,642.73)
Permanent Fund	-	-	-	-	68,437.56	68,437.56
Total Fund Balances	17,540,720.08	20,658,023.66	15,680,974.30	10,642,527.07	(913,293.44)	63,608,951.67
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,963,213.05	\$ 21,824,472.66	\$ 17,475,875.70	\$ 10,834,241.26	\$ 4,010,460.00	\$ 74,108,262.67

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, 2008

Total Fund Balances - Governmental Funds \$ 63,608,951.67

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. 228,718,373.64

Long term liabilities, including bonds payable are not due and
payable in the current period and therefore not reported in the
funds. (66,736,167.59)

Accrued interest on long-term debt is not due and payable in the current period
and therefore is not reported in the funds. (275,965.57)

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. 542,671.00

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. 1,607,600.24

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. 5,216,370.85

Total Net Assets - Governmental Activities \$ 232,681,834.24

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, 2008

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes			-	-	3,995,993.11	15,694,726.77
313 General Sales and Use Taxes			1.89	3,438,671.73	-	43,203,611.11
314 Gross Receipts Business Tax			-	-	1,186,470.77	1,852,569.93
320 Licenses and Permits			-	-	-	1,912,777.35
330 Intergovernmental Revenue:						
331 Federal Grants	2,349,361.09	361,970.00	-	-	554,816.83	3,266,147.92
334 State Grants	75,500.00	-	-	-	-	75,500.00
335 State Shared Revenue:						
335.01 Bank Franchise Tax	97,568.33	-	-	-	-	97,568.33
335.03 Liquor Tax Reversion	363,523.38	-	-	-	-	363,523.38
335.04 Motor Vehicle Licenses (5%)	41,372.82	-	-	-	-	41,372.82
335.06 Fire Insurance Reversion	189,339.36	-	-	-	-	189,339.36
335.08 Local Government Highway and Bridge Fund	445,393.98	-	-	-	-	445,393.98
338 County Shared Revenue:						
338.01 County Road Tax (25%)	241,899.88	-	-	-	-	241,899.88
340 Charges for Goods and Services:						
341 General Government	263,887.12	983,439.31	7,901.85	-	22,991.62	1,278,219.90
342 Public Safety	829,149.86	-	-	-	1,028.00	830,177.86
343 Public Works	236,622.72	-	400.04	34,444.00	-	271,466.76
345 Health & Welfare	311,703.92	-	-	-	-	311,703.92
346 Culture and Recreation	1,578,682.47	18,500.00	-	-	-	1,597,182.47
348 Cemetery	-	-	-	-	2,763.86	2,763.86
349 Conservation & Development	-	-	-	-	75,726.66	75,726.66
350 Fines and Forfeits:						
351 Court Fines and Costs	65,199.02	-	-	-	-	65,199.02
354 Library	-	-	-	-	102,273.38	102,273.38
360 Miscellaneous Revenue:						
361 Interest Earnings	1,184,819.67	584,756.75	673,732.74	440,358.71	88,532.85	2,972,200.72
362 Rentals	147,180.58	-	-	-	-	147,180.58
363 Special Assessments	299,017.59	-	-	-	22,738.35	321,755.94
367 Contributions and Donations	-	87,612.00	50,000.00	-	40,651.05	178,263.05
369 Other	38,552.93	-	-	-	-	38,552.93
Total Revenue	42,918,854.50	11,977,512.94	10,673,269.52	3,913,474.44	6,093,986.48	75,577,097.88
Expenditures:						
410 General Government:						
412 Executive-Mayor & Council	572,949.07	-	-	-	-	572,949.07
414 Financial - Community Resources	474,262.52	-	-	-	-	474,262.52
414 Financial - Finance	795,371.56	-	-	-	-	795,371.56
414 Financial - Attorney	48,279.43	-	-	-	-	48,279.43
414 Financial - Personnel	203,063.63	-	-	-	-	203,063.63
419 Other - Government Buildings	756,719.86	-	-	-	-	756,719.86
420 Public Safety:						
421 Police	11,364,646.35	-	-	-	5,833.00	11,370,479.35
422 Fire	7,673,377.72	-	-	-	-	7,673,377.72
429 Other Protection-Corrections	27,989.23	-	-	-	-	27,989.23
429 Other Protection-Code Enforcement	222,952.20	-	-	-	-	222,952.20
429 Other Protection-ACE	38,863.91	-	-	-	-	38,863.91
429 Other Protection-Emergency Mgt	85,121.00	-	-	-	-	85,121.00

CITY OF RAPID CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	2012 Sales Tax Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
430 Public Works:						
431 Highways and Streets	5,144,764.96	600,488.33	-	-	-	5,745,253.29
43x Administration	(8,505.79)	253,404.00	1,389,456.00	-	-	1,634,354.21
440 Health and Welfare:						
441 Health	394,770.58	-	-	-	-	394,770.58
444 Humane Society	235,196.64	-	-	-	-	235,196.64
449 Other - Public Transit	1,698,991.82	-	-	-	-	1,698,991.82
449 Other - Air Quality	33,224.42	-	-	-	-	33,224.42
450 Culture and Recreation:						
451 Recreation	362,229.18	1,095,880.40	-	-	-	1,458,109.58
451 Swimming Pools	1,537,390.25	-	-	-	-	1,537,390.25
451 Ice Arena	633,303.05	-	-	-	-	633,303.05
452 Parks	2,045,914.08	51,124.06	62,500.00	-	-	2,159,538.14
455 Libraries	2,787,266.64	-	-	-	38,734.80	2,826,001.44
457 Historical Preservation	4,369.58	-	-	-	-	4,369.58
459 Other - Parks & Rec Administration	190,339.27	-	-	-	-	190,339.27
459 Other - Retired Senior (RSVP)	-	-	-	-	102,389.04	102,389.04
459 Other - Cemetery	-	-	-	-	204.00	204.00
459 Other - Subsidies	225,906.50	-	-	-	-	225,906.50
460 Conservation and Development:						
465 Economic Development	380,000.00	776,238.00	-	-	-	1,156,238.00
465 Community Development	2,304,968.28	-	-	-	587,200.15	2,892,168.43
465 Transportation Planning	544,420.36	-	-	-	-	544,420.36
465 GIS Information System	124,550.70	-	-	-	-	124,550.70
470 Debt Service	184,748.51	7,033,233.79	2,927,731.42	1,668,058.87	1,886,788.08	13,700,560.67
485 Capital Outlay	2,560,168.39	16,340,019.01	13,755,590.92	-	2,412,495.97	35,068,274.29
490 Miscellaneous:						
492 Other Expenditures	-	14,563.64	8,691.83	7,428.13	1,259,841.56	1,290,525.16
Total Expenditures	43,647,613.90	26,164,951.23	18,143,970.17	1,675,487.00	6,293,486.60	95,925,508.90
Excess of Revenue Over (Under) Expenditures	(728,759.40)	(14,187,438.29)	(7,470,700.65)	2,237,987.44	(199,500.12)	(20,348,411.02)
Other Financing Sources (Uses):						
391.01 Transfers In (see Note 5)	788,892.00	-	1,380,000.00	-	-	2,168,892.00
511 Transfers Out (see Note 5)	(166,337.00)	(638,000.00)	(1,555,261.05)	(6,522,000.00)	(1,646,162.13)	(10,527,760.18)
391.02 Long-term debt issued	-	-	1,103,724.80	-	4,524,109.80	5,627,834.60
391.03 Sale of Municipal Property	20,312.55	-	-	-	-	20,312.55
391.27 Capital Leases	727,295.00	-	-	-	-	727,295.00
Total Other Financing Sources (Uses)	1,370,162.55	(638,000.00)	928,463.75	(6,522,000.00)	2,877,947.67	(1,983,426.03)
Net Change in Fund Balances	641,403.15	(14,825,438.29)	(6,542,236.90)	(4,284,012.56)	2,678,447.55	(22,331,837.05)
Fund Balance - Beginning	16,899,316.93	35,483,461.95	22,223,211.20	14,926,539.63	(3,591,740.99)	85,940,788.72
FUND BALANCE- ENDING	17,540,720.08	20,658,023.66	15,680,974.30	10,642,527.07	(913,293.44)	63,608,951.67

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, 2008

Net change in fund balances - total government funds	\$ (22,331,837.05)
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.	10,700,290.93
Assets Contributed by Development.	4,858,412.57
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).	10,582,908.46
Debt proceeds, including premiums are a revenue in the governmental funds but the proceeds increase long-term liabilities in the statement of net assets.	(6,930,510.20)
Debt issuance costs are deferred in the government-wide statements and amortized over the term of the related debt:	
Amortization of Debt issue costs	(108,907.00)
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.	(48,997.57)
In the Statement of Activities, the gains & losses on disposal of capital assets are reported, whereas in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized.	(32,378.88)
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.	(630,415.84)
Governmental funds report property taxes and special assessments as revenue when funds become available, but the statement of activities includes the property tax and special assessments as revenue when earned.	952,318.08
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.	(30,541.00)
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.	490,358.11
Change in Net Assets of Governmental Activities	\$ (2,529,299.39)

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

**CITY OF RAPID CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008**

	Water Fund	Wastewater Fund	Airport Fund
ASSETS:			
Current Assets:			
101 Cash and Cash Equivalents	\$ 2,200,789.03	\$ 4,122,284.58	\$ 2,122,798.78
106 Cash with Fiscal Agent, Restricted	610,128.25	-	140.00
107 Restricted Cash (Note 15)	-	-	-
151 Investments	3,541,881.03	2,412,599.64	-
115 Accounts Receivable	334,965.34	945,899.67	952,445.48
116 Estimated Uncollectable Accounts Receivable	(25,986.15)	(30,000.00)	-
117 Unbilled Accounts Receivable	413,566.24	-	-
110 Sales Tax Receivable	-	-	-
131 Due from Other Funds	-	-	-
132 Due from Other Government (see Note 6)	-	-	1,377,188.04
135 Interest Receivable	11,737.70	10,031.14	3,804.36
142 Inventory of Stores Purchased for Resale	37,472.55	17,699.38	-
155 Prepaid Expenses	-	-	-
Total Current Assets	<u>7,124,553.99</u>	<u>7,478,514.41</u>	<u>4,456,376.66</u>
Noncurrent Assets:			
Capital Assets:			
160 Land	5,316,737.19	684,111.14	1,084,000.31
162 Buildings	11,730,527.41	25,055,300.27	16,362,464.50
164 Improvements Other than Bldg	87,722,287.69	52,756,053.75	55,271,649.10
164 Furniture & Equipment	408,702.85	451,298.99	800,220.18
166 Machinery and Equipment	945,841.02	1,555,975.92	4,661,221.38
168 Construction Work in Progress	9,316,627.91	3,220,309.12	3,186,438.53
Less: Accumulated Depreciation	(35,785,939.93)	(24,126,365.50)	(35,061,496.23)
Total Noncurrent Assets	<u>79,654,784.14</u>	<u>59,596,683.69</u>	<u>46,304,497.77</u>
TOTAL ASSETS	<u>\$ 86,779,338.13</u>	<u>\$ 67,075,198.10</u>	<u>\$ 50,760,874.43</u>
LIABILITIES:			
Current Liabilities:			
202 Accounts Payable	\$ 1,277,023.93	\$ 333,947.89	\$ 790,376.61
208 Due to Other Funds (see Note 5)	-	60,000.00	-
215 Accrued Interest Payable	60.27	107,067.64	9,090.65
220 Customer Deposits	593,882.66	-	-
2xx Wages Payable	62,324.69	46,399.32	48,137.56
226 OPEB Current Obligations	14,272.32	11,196.78	11,598.51
226 Bonds Payable Current:	555,521.25	727,057.08	125,000.00
226 Capital Lease Payable Current (see Note 4)	-	-	39,242.86
230 Compensated Absences Payable -- Current	15,000.00	5,000.00	6,500.00
Total Current Liabilities	<u>2,518,085.12</u>	<u>1,290,668.71</u>	<u>1,029,946.19</u>
Noncurrent Liabilities:			
209 Advance from Other Funds (see Note 5)	270,000.00	423,000.00	-
231 OPEB Long-Term Obligations	26,561.58	20,837.82	21,585.47
231 Bonds Payable	-	10,542,576.60	730,000.00
231 Capital Lease Payable	-	-	561,497.49
233 Accrued Leave Payable (see Note 4)	132,585.52	99,425.45	102,311.91
235 Accrued Landfill Closure and Postclosure	-	-	-
Total Noncurrent Liabilities	<u>429,147.10</u>	<u>11,085,839.87</u>	<u>1,415,394.87</u>
NET ASSETS:			
253.10 Invested in Capital Assets, Net of Related Debt	79,099,262.89	48,327,050.01	44,848,757.42
253.20 Restricted Net Assets, Restricted for:			
253.22 Revenue Bond Retirement	610,128.25	-	140.00
253.27 Landfill Closure and Post Closure Costs	-	-	-
253.90 Unrestricted Net Assets	4,122,714.77	6,371,639.51	3,466,635.95
Total Net Assets	<u>83,832,105.91</u>	<u>54,698,689.52</u>	<u>48,315,533.37</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 86,779,338.13</u>	<u>\$ 67,075,198.10</u>	<u>\$ 50,760,874.43</u>

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

Enterprise Funds

<i>Enterprise Funds</i>					
Solid Waste MRF/Compost Fund	Civic Center Enterprise Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds	
\$ 837,881.01	\$ 59,438.91	\$ 3,837,895.48	\$ 13,181,087.79	\$ 6,130,372.25	
672,162.08	4,665,198.83	2,464,343.38	8,411,972.54	-	
-	-	1,203,097.30	1,203,097.30	-	
2,225,989.94	656,702.98	4,136,547.80	12,973,721.39	1,619,965.01	
175,066.97	97,921.89	6,267,163.36	8,773,462.71	518,175.24	
(10,000.00)	-	(3,807,217.95)	(3,873,204.10)	-	
-	-	-	413,566.24	-	
-	316,552.10	-	316,552.10	-	
29,313.44	183,334.66	37,935.04	250,583.14	-	
4,613.89	-	2,813.75	1,384,615.68	-	
1,909.13	8,470.58	19,057.22	55,010.13	10,879.38	
-	116,812.04	-	171,983.97	-	
41,796.89	107,103.70	45,858.75	194,759.34	-	
<u>3,978,733.35</u>	<u>6,211,535.69</u>	<u>14,207,494.13</u>	<u>43,457,208.23</u>	<u>8,279,391.88</u>	
542,868.12	1,091,682.05	6,620,227.85	15,339,626.66	-	
12,968,827.18	33,305,797.08	5,898,830.60	105,321,747.04	-	
4,269,154.12	5,912,382.59	5,018,479.75	210,950,007.00	-	
30,670.85	981,275.58	86,028.05	2,758,196.50	-	
1,229,971.63	2,417,260.54	7,047,671.12	17,857,941.61	-	
-	26,681,060.94	2,603,888.21	45,008,324.71	-	
(5,115,776.39)	(19,027,473.09)	(8,735,225.71)	(127,852,276.85)	-	
<u>13,925,715.51</u>	<u>51,361,985.69</u>	<u>18,539,899.87</u>	<u>269,383,566.67</u>	<u>-</u>	
<u>\$ 17,904,448.86</u>	<u>\$ 57,573,521.38</u>	<u>\$ 32,747,394.00</u>	<u>\$ 312,840,774.90</u>	<u>\$ 8,279,391.88</u>	
\$ 58,239.69	\$ 596,411.83	\$ 462,911.96	\$ 3,518,911.91	\$ 2,635,828.98	
-	480,543.00	2,567,503.79	3,108,046.79	-	
9,296.97	9,930.78	14,470.51	149,916.82	-	
-	-	-	593,882.66	-	
28,701.08	142,133.51	89,638.50	417,334.66	2,713.32	
7,163.15	13,201.50	26,099.92	83,532.18	-	
484,926.51	224,458.58	134,220.41	2,251,183.83	-	
-	1,225.10	278,901.23	319,369.19	-	
5,000.00	-	7,000.00	38,500.00	-	
<u>593,327.40</u>	<u>1,467,904.30</u>	<u>3,580,746.32</u>	<u>10,480,678.04</u>	<u>2,638,542.30</u>	
-	-	311,455.79	1,004,455.79	-	
13,331.02	24,568.73	48,573.38	155,458.00	-	
3,038,259.07	5,304,713.07	2,450,601.82	22,066,150.56	-	
-	-	119,158.93	680,656.42	-	
26,874.40	157,564.79	208,798.07	727,560.14	-	
-	-	1,203,097.30	1,203,097.30	-	
<u>3,078,464.49</u>	<u>5,486,846.59</u>	<u>4,341,685.29</u>	<u>25,837,378.21</u>	<u>-</u>	
10,402,529.93	45,831,588.94	15,557,017.48	244,066,206.67	-	
672,162.08	4,665,198.83	2,464,343.38	8,411,972.54	-	
-	-	-	-	-	
3,157,964.96	121,982.72	6,803,601.53	24,044,539.44	5,640,849.58	
<u>14,232,656.97</u>	<u>50,618,770.49</u>	<u>24,824,962.39</u>	<u>276,522,718.65</u>	<u>5,640,849.58</u>	
<u>\$ 17,904,448.86</u>	<u>\$ 57,573,521.38</u>	<u>\$ 32,747,394.00</u>	<u>\$ 312,840,774.90</u>	<u>\$ 8,279,391.88</u>	

**CITY OF RAPID CITY
RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

Total Net Assets - Enterprise Funds \$ 276,522,718.65

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

424,478.73

Total Net Assets - Business-type Activities

\$ 276,947,197.38

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 FUND NET ASSETS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2008

	Water Fund	Wastewater Fund	Airport Fund
Operating Revenue:			
380 Charges for Goods and Services	\$ 9,107,251.51	\$ -	\$ 4,917,350.18
381 Revenues used as Security for Revenue Bonds	572,000.00	8,452,855.89	-
Total Operating Revenues	9,679,251.51	8,452,855.89	4,917,350.18
Operating Expenses:			
410 Personal Services	2,080,027.80	1,617,679.54	1,809,650.27
420 Other Current Expense	2,029,888.22	2,843,347.31	2,448,535.24
426.2 Materials (Cost of Goods Sold)	-	-	-
457 Depreciation (see Note 2)	2,092,672.27	1,433,389.61	1,775,804.52
Total Operating Expenses	6,202,588.29	5,894,416.46	6,033,990.03
Operating Income (Loss)	3,476,663.22	2,558,439.43	(1,116,639.85)
Nonoperating Revenue (Expense):			
361 Investment Earnings	351,716.14	245,169.82	119,161.30
470 Interest Expense and Fiscal Charges	(37,739.02)	(521,857.43)	(96,326.82)
366 Gain (Loss) on Disposition of Capital Assets	(6,944.13)	1,862.40	1,630.96
369.01 Other Taxes	-	-	253,034.11
369.01 Sales Tax	-	-	-
369.01 Other	-	-	-
Total Nonoperating Revenue (Expense)	307,032.99	(274,825.21)	277,499.55
Income (Loss) Before Capital Grants and Transfers	3,783,696.21	2,283,614.22	(839,140.30)
330 Capital Grants	-	-	1,724,372.90
391.7 Contributions (to) from Developers/Others	936,292.34	788,800.37	-
391.1 Transfers In (see Note 5)	3,348,069.78	3,437,000.00	-
511 Transfers Out (see Note 5)	(219,753.00)	(142,907.00)	-
Net Capital Grants, Contributions and Transfers	4,064,609.12	4,082,893.37	1,724,372.90
Change in Net Assets	7,848,305.33	6,366,507.59	885,232.60
Net Assets - Beginning	75,983,800.58	48,332,181.93	47,430,300.77
NET ASSETS - ENDING	\$ 83,832,105.91	\$ 54,698,689.52	\$ 48,315,533.37

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
\$ 3,610,915.54	\$ 4,206,844.54	\$ 9,236,980.68	\$ 31,079,342.45	\$ 6,722,954.92
-	-	627,200.79	9,652,056.68	-
3,610,915.54	4,206,844.54	9,864,181.47	40,731,399.13	6,722,954.92
1,046,519.20	3,156,511.17	4,259,741.47	13,970,129.45	-
1,876,911.88	3,260,910.02	3,268,639.80	15,728,232.47	6,341,949.56
-	597,960.85	-	597,960.85	-
479,143.02	947,402.68	746,225.07	7,474,637.17	-
3,402,574.10	7,962,784.72	8,274,606.34	37,770,959.94	6,341,949.56
208,341.44	(3,755,940.18)	1,589,575.13	2,960,439.19	381,005.36
-	-	-	-	-
170,683.33	128,354.85	526,367.06	1,541,452.50	295,248.35
(450,607.62)	(85,195.02)	(168,476.61)	(1,360,202.52)	-
(40,778.12)	-	(37,198.72)	(81,427.61)	-
-	-	-	253,034.11	-
-	2,922,529.31	-	2,922,529.31	-
603,866.67	-	59,422.88	663,289.55	-
283,164.26	2,965,689.14	380,114.61	3,938,675.34	295,248.35
491,505.70	(790,251.04)	1,969,689.74	6,899,114.53	676,253.71
-	-	-	1,724,372.90	-
(1,747.90)	15,032,383.20	5,363.90	16,761,091.91	-
1,351,470.25	25,723.00	872,188.15	9,034,451.18	300,000.00
(46,264.00)	(133,154.00)	(133,505.00)	(675,583.00)	(300,000.00)
1,303,458.35	14,924,952.20	744,047.05	26,844,332.99	-
1,794,964.05	14,134,701.16	2,713,736.79	33,743,447.52	676,253.71
12,437,692.92	36,484,069.33	22,111,225.60	242,779,271.13	4,964,595.87
\$ 14,232,656.97	\$ 50,618,770.49	\$ 24,824,962.39	\$ 276,522,718.65	\$ 5,640,849.58

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, 2008

Net change in net assets - Enterprise funds	\$ 33,743,447.52
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	185,894.73
Change in Net Assets of Business-type Activities	<u>\$ 33,929,342.25</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, 2008

	Enterprise Funds			
	Water Fund	Wastewater Fund	Airport Fund	Solid Waste MFR/Compost Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customers	\$ 9,778,285.74	\$ 8,236,188.22	\$ 4,840,698.70	\$ 3,578,704.68
Receipt from Interfund Services Provided	270,000.00	483,000.00	-	28,321.56
Payments to Suppliers	(1,837,636.84)	(3,146,903.80)	(2,786,663.63)	(2,031,092.08)
Payments to Employees	(2,033,199.69)	(1,585,079.17)	(1,735,045.82)	(1,024,866.55)
Internal Activity - Payment to Other Funds	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>6,177,449.21</u>	<u>3,987,205.25</u>	<u>318,989.25</u>	<u>551,067.61</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Airport Property Tax and Gross Receipts Tax (Civic Center)	-	-	253,034.11	-
Transfers In	3,348,069.78	3,437,000.00	-	1,351,470.25
Transfer Out	(219,753.00)	(142,907.00)	-	(46,264.00)
Net Cash Provided (Used) by Operating Subsidiaries and Transfers	<u>3,128,316.78</u>	<u>3,294,093.00</u>	<u>253,034.11</u>	<u>1,305,206.25</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Capital Debt	-	-	-	3,623,100.00
Capital Grants	-	-	2,684,140.86	-
Purchase of Capital Assets	(9,420,333.28)	(3,470,377.79)	(3,057,763.56)	(838,280.05)
Principal Paid on Capital Debt	(535,520.75)	(859,825.32)	(198,750.65)	(4,771,214.42)
Interest Paid on Capital Debt	(37,678.75)	(530,573.79)	(87,236.17)	(441,310.65)
Proceeds from Sale of Assets	4,659.85	1,862.40	1,630.96	1,747.90
Other Receipts (Payments)	-	-	-	603,866.67
Net Cash (Used) by capital and related financing Activities	<u>(9,988,872.93)</u>	<u>(4,858,914.50)</u>	<u>(657,978.56)</u>	<u>(1,822,090.55)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	162,702.56	112,630.29	115,357.00	56,567.53
Deposits with Cash with Fiscal Agent	(20,716.25)	-	(169,901.00)	(5,471,476.40)
Withdrawals from Cash with Fiscal Agent	-	-	169,840.00	5,127,530.32
Net Cash Provided (Used) by Investing Activities	<u>141,986.31</u>	<u>112,630.29</u>	<u>115,296.00</u>	<u>(287,378.55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(541,120.63)</u>	<u>2,535,014.04</u>	<u>29,340.80</u>	<u>(253,195.24)</u>
Balances - Beginning	<u>2,741,909.66</u>	<u>1,587,270.54</u>	<u>2,093,457.98</u>	<u>1,091,076.25</u>
Balances- Ending	<u>\$ 2,200,789.03</u>	<u>\$ 4,122,284.58</u>	<u>\$ 2,122,798.78</u>	<u>\$ 837,881.01</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 3,476,663.22	\$ 2,558,439.43	\$ (1,116,639.85)	\$ 208,341.44
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	2,092,672.27	1,433,389.61	1,775,804.52	479,143.02
Landfill Closure & Postclosure Costs	-	-	-	-
Change in Assets and Liabilities:				
Receivables	75,104.57	(216,667.67)	(76,651.48)	(32,210.86)
Inventories	(17,408.55)	1,405.62	-	-
Prepaid Expenses	-	-	-	(41,796.89)
Customer Deposits	23,929.66	-	-	-
Due to/from Other Funds	270,000.00	483,000.00	-	28,321.56
Accounts and Other Payables	209,659.93	(304,962.11)	(338,128.39)	(112,383.31)
Accrued Wages Payable	628.69	(5,234.68)	7,910.56	(2,960.92)
Accrued Other Post Employment Benefits	40,833.90	32,034.60	33,183.98	20,494.17
Accrued Leave Payable	5,365.52	5,800.45	33,509.91	4,119.40
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,177,449.21</u>	<u>\$ 3,987,205.25</u>	<u>\$ 318,989.25</u>	<u>\$ 551,067.61</u>
Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (11,603.98)	\$ -	\$ -	\$ (42,526.02)
Transfer/Contribution of Assets	\$ 936,292.34	\$ 788,800.37	\$ -	\$ (1,747.90)

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

Civic Center Enterprise Fund	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 4,166,863.65	\$ 9,107,600.31	\$ 39,708,341.30	\$ -
-	2,497,933.87	3,279,255.43	6,448,247.68
(3,601,172.78)	(3,185,724.29)	(16,589,193.42)	(5,681,213.26)
(3,010,271.64)	(4,073,722.60)	(13,462,185.47)	-
(183,334.66)	(160,622.77)	(343,957.43)	-
(2,627,915.43)	4,185,464.52	12,592,260.41	767,034.42
2,951,716.21	-	3,204,750.32	-
25,723.00	872,188.15	9,034,451.18	300,000.00
(133,154.00)	(133,505.00)	(675,583.00)	(300,000.00)
2,844,285.21	738,683.15	11,563,618.50	-
5,540,000.00	2,465,000.00	11,628,100.00	-
-	-	2,684,140.86	-
(1,751,026.51)	(3,312,853.05)	(21,850,634.24)	-
(11,995.25)	(1,633,874.61)	(8,011,181.00)	-
(75,264.24)	(154,006.10)	(1,326,069.70)	-
-	-	9,901.11	-
-	59,422.88	663,289.55	-
3,701,714.00	(2,576,310.88)	(16,202,453.42)	-
86,537.82	295,437.77	829,232.97	208,432.43
(5,709,095.17)	(3,806,308.13)	(15,177,496.95)	-
1,043,896.34	1,523,263.41	7,864,530.07	-
(4,578,661.01)	(1,987,606.95)	(6,483,733.91)	208,432.43
(660,577.23)	360,229.84	1,469,691.58	975,466.85
720,016.14	4,680,762.94	12,914,493.51	5,154,905.40
\$ 59,438.91	\$ 5,040,992.78	\$ 14,384,185.09	\$ 6,130,372.25
\$ (3,755,940.18)	\$ 1,589,575.13	\$ 2,960,439.19	\$ 381,005.36
947,402.68	746,225.07	7,474,637.17	-
-	40,685.30	40,685.30	-
(39,980.89)	(756,581.16)	(1,046,987.49)	-
(57,613.04)	-	(73,615.97)	-
(107,103.70)	(45,858.75)	(194,759.34)	-
-	-	23,929.66	(274,707.24)
(183,334.66)	2,337,311.10	2,935,298.00	-
422,414.83	88,088.96	(35,310.09)	658,022.98
73,769.51	17,882.50	91,995.66	2,713.32
37,770.23	74,673.30	238,990.18	-
34,699.79	93,463.07	176,958.14	-
\$ (2,627,915.43)	\$ 4,185,464.52	\$ 12,592,260.41	\$ 767,034.42
\$ -	\$ (37,198.72)	\$ (91,328.72)	\$ -
\$ 15,032,383.20	\$ 5,363.90	\$ 16,761,091.91	\$ -

**CITY OF RAPID CITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008**

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 524,423.77
Investments	519,378.54
TOTAL ASSETS	<u>\$ 1,043,802.31</u>
LIABILITIES:	
Accounts Payable	\$ 87,128.10
Due to Other Organizations	956,674.21
Total Liabilities	<u>\$ 1,043,802.31</u>

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

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 municipality's governing board. The accounting policies of the City conform to accounting principles generally accepted in the United States of America, as applicable to governments.

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

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

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

Discretely Presented Component Units

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

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

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-Wide Financial Statements:

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the municipality and for each function of the municipality'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.

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

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

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Permanent Fund

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

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

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

Proprietary Funds

Enterprise Fund

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

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

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

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

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

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

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

Major Funds:

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

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

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

Measurement Focus and Basis of Accounting

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

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

Non-exchange transactions, in which the municipality 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.

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

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

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

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

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

C. ASSETS, LIABILITIES AND EQUITY

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

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

Deposits - The City’s deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1 and 7-20-1.2. 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.

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 - 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.

Cash with Fiscal Agent – As of December 31, 2008, the City of Rapid City had the following in the cash with fiscal agent accounts:

Investments and Deposits	Credit Rating	Total	Less than 1 Year	1-5 Years	5-10 Years
Money Market	N/A	4,135,101.76	4,135,101.76		
First National Bank CD	N/A	3,361,000.00	1,734,000.00	1,627,000.00	
US Treasury Note	AAA	587,669.94		587,669.94	
US Federal Agency Obligations:					
First National Bank CD	N/A	3,361,000.00	1,734,000.00	1,627,000.00	
FNMA Debenture	AAA	416,782.08		416,782.08	
FHLMC Notes	AAA	3,650,042.33		3,650,042.33	
FHLB Bonds	AAA	6,785,779.40		3,682,257.40	3,103,522.00
Total		18,936,375.51	5,869,101.76	9,963,751.75	3,103,522.00

Investments - As of December 31, 2008, the City of Rapid City had the following investments:

Investment	Credit Rating	Total	Less than 1 Year	1-5 Years	5-10 Years	10 Years or More
US Treasury Bonds	N/A	239,016.39				239,016.39
US Treasury Notes	N/A	4,197,612.31		816,200.86	462,860.80	2,918,550.65
Bank of America Corp Notes	AAA	441,651.50		441,651.50		
US Federal Agency Obligations:						
GNMA (Ginnie Mae) Pool	AAA	852,159.98				852,159.98
GNMA CMO	AAA	209,783.82				209,783.82
FNMA (Fannie Mae) Pool	AAA	16,216,124.76		1,430,091.17	4,363,398.19	10,422,635.40
FNMA Debenture	AAA	1,556,249.50		259,937.50		1,296,312.00
FNMA Notes	AAA	2,898,058.31		721,028.29	2,177,030.02	
FNMA Bond	AAA	537,030.00			537,030.00	
FNMA CMO	AAA	1,471,979.65			983,719.47	488,260.18
FHLMC (Freddie Mac) Pool	AAA	6,436,282.27		132,664.10	1,306,963.68	4,996,654.49
FHLMC Debentures	AAA	2,007,298.15			516,863.50	1,490,434.65
FHLMC Notes	AAA	2,386,756.37			1,748,128.37	638,628.00
FHLMC Remics	AAA	159,257.13				159,257.13
FHLB Bonds	AAA	923,726.43			923,726.43	
USDA	AAA	634,211.45				634,211.45
Total		41,167,198.02	0.00	3,801,573.42	13,019,720.46	24,345,904.14

Presented in the:

Statement of Net Assets	40,647,819.48
Statement of Fiduciary Net Assets	519,378.54
	<u>41,167,198.02</u>

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

C. ASSETS, LIABILITIES AND EQUITY (Continued)

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

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

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

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

Custodial Credit Risk - Investments – The City's investment policy does not restrict the maximum holding per custodial account. All investments are held in the City's name with Merrill Lynch (\$2,149,796.74), RBC Dain Rauscher (\$25,736,893.31), Edward Jones (\$9,879,038.36), Wachovia (\$3,327,216.48) and MidFirst Bank (\$74,253.13) serving as custodians.

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

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

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.

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

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

Fund Financial Statements

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

Receivables

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

Business-Type Activities: Business Type Activities receivables are comprised of amounts owed to the municipality by municipal 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 municipality’s taxes and remits them to the municipality.

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

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

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

Government-Wide Statements

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

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

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

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

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

Land is an inexhaustible asset and is not depreciated.

Fund Financial Statements

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

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

Inventories

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

Compensated Absences

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

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

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

Long-Term Liabilities

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

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

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

Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

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

Program Revenue

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

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

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

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

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

Deferred Revenue

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

Proprietary Funds Revenue and Expense Classification

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

NOTE 2. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital Assets not being depreciated:				
Land	\$ 39,489,237.32	\$ 454,636.68	\$ -	\$ 39,943,874.00
Construction in Progress	7,477,509.81	16,989,470.07	(6,296,793.79)	18,170,186.09
Total capital assets not being depreciated	<u>46,966,747.13</u>	<u>17,444,106.75</u>	<u>(6,296,793.79)</u>	<u>58,114,060.09</u>
Capital Assets being depreciated:				
Buildings	59,822,281.00	1,930,299.47	(87,684.57)	61,664,895.90
Improvements	181,584,724.69	11,412,168.27	113,517.22	193,110,410.18
Machinery and Equipment	22,376,244.50	2,392,408.17	(326,808.32)	24,441,844.35
Total capital assets being depreciated	<u>263,783,250.19</u>	<u>15,734,875.91</u>	<u>(300,975.67)</u>	<u>279,217,150.43</u>
Less accumulated depreciation for:				
Buildings	(10,086,758.31)	(1,080,271.42)	1,710.31	(11,165,319.42)
Improvements	(73,783,689.60)	(8,349,727.10)	(12,787.25)	(82,146,203.95)
Machinery and Equipment	(13,687,500.44)	(1,893,486.78)	279,673.71	(15,301,313.51)
Total accumulated depreciation	<u>(97,557,948.35)</u>	<u>(11,323,485.30)</u>	<u>268,596.77</u>	<u>(108,612,836.88)</u>
Total capital assets being depreciated, net	166,225,301.84	4,411,390.61	(32,378.90)	170,604,313.55
Governmental activities capital assets, net	<u>\$213,192,048.97</u>	<u>\$21,855,497.36</u>	<u>\$ (6,329,172.69)</u>	<u>\$228,718,373.64</u>

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

Total General Government	\$ 466,631.44
Total Public Safety	682,771.31
Total Health and Welfare	357,503.59
Total Public Works	8,605,969.55
Total Culture and Recreation	1,202,743.32
Total Community /Economic Development	7,866.09
Total Governmental depreciation expense	<u>\$11,323,485.30</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, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital Assets not being depreciated:				
Land	\$ 15,115,586.66	\$ 224,040.00		\$ 15,339,626.66
Construction in Progress	23,359,034.67	31,724,088.04	(10,074,798.00)	45,008,324.71
Total capital assets not being depreciated	<u>38,474,621.33</u>	<u>31,948,128.04</u>	<u>(10,074,798.00)</u>	<u>60,347,951.37</u>
Capital Assets being depreciated:				
Buildings	105,128,292.00	193,455.04		105,321,747.04
Improvements	198,293,088.36	12,656,918.64		210,950,007.00
Machinery and Equipment	17,555,504.12	3,882,658.63	(822,024.64)	20,616,138.11
Total capital assets being depreciated	<u>320,976,884.48</u>	<u>16,733,032.31</u>	<u>(822,024.64)</u>	<u>336,887,892.15</u>
Less accumulated depreciation for:				
Buildings	(33,750,019.00)	(1,975,460.81)		(35,725,479.81)
Improvements	(75,237,084.08)	(4,538,552.51)		(79,775,636.59)
Machinery and Equipment	(12,126,596.48)	(960,623.85)	736,059.88	(12,351,160.45)
Total accumulated depreciation	<u>(121,113,699.56)</u>	<u>(7,474,637.17)</u>	<u>736,059.88</u>	<u>(127,852,276.85)</u>
Total capital assets being depreciated, net	<u>199,863,184.92</u>	<u>9,258,395.14</u>	<u>(85,964.76)</u>	<u>209,035,615.30</u>
Business-type activities capital assets, net	<u>\$238,337,806.25</u>	<u>\$41,206,523.18</u>	<u>\$(10,160,762.76)</u>	<u>\$269,383,566.67</u>

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

Total Water Enterprise	\$ 2,092,672.27
Total Wastewater Enterprise	1,433,389.61
Total Airport Enterprise	1,775,804.52
Total Solid Waste Disposal Enterprise	180,677.40
Total Solid Waste/MRF Enterprise	479,143.02
Total Civic Center Enterprise	947,402.68
Total Solid Waste Collection Enterprise	237,313.68
Total Executive Golf Enterprise	18,862.45
Total Cemetery Enterprise	34,003.73
Total Golf Course Enterprise	69,313.62
Total Parking Lot Area Enterprise	39,954.07
Total Ambulance Enterprise	135,685.74
Total Energy Plant Enterprise	13,976.09
Total Transportation Terminal Enterprise	<u>16,438.29</u>
Total Enterprise depreciation expense	<u>\$ 7,474,637.17</u>

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

NOTE 3. CONSTRUCTION COMMITMENTS

Construction commitments in the amount of approximately \$13.9 million as of December 31, 2008 were as follows:

<u>Governmental Activities</u>	<u>Project Number</u>	<u>Project Description</u>	<u>2008 Total Costs</u>		
			<u>As of 12/31/2008</u>	<u>Total Contract</u>	<u>Remaining</u>
	IDP04-1367	Dahl Expansion	6,221,200.91	6,500,000.00	278,799.09
		Meadowbrook Bridge	5,800.00	47,457.45	41,657.45
		Skyline Wilderness Trails	9,000.00	38,000.00	29,000.00
	PR08-6002	Vickie Powers Park	100,185.25	275,000.00	174,814.75
	PR08-6003	Vickie Powers Playground	26,337.00	950,000.00	923,663.00
	PR08-6011	RC Parks Restrooms	3,785.00	300,000.00	296,215.00
	DR04-1390	Knollwood Drainage	656,767.86	1,930,000.00	1,273,232.14
	DR07-1655	E Nebraska St Drainage	21,558.04	170,000.00	148,441.96
	DR08-1735	Rand Rd Drainage Channel	9,993.95	46,439.00	36,445.05
	DR08-1736	Box Culvert	9,068.00	95,462.50	86,394.50
	DR08-1754	Flormann	8,214.70	85,000.00	76,785.30
	ST08-1701	Universal Dr Recon	69,444.72	598,628.22	529,183.50
	ST08-1708	Meadowbrook Dr Recon	290,313.94	345,000.00	54,686.06
Total Governmental Activities			7,431,669.37	11,380,987.17	3,949,317.80
<u>Business-Type Activities</u>					
	DR03-1333	Meade Reconstruction	2,470,995.36	2,770,000.00	299,004.64
	N/A	Rushmore Crossing	1,176,863.12	1,806,000.00	629,136.88
	PW08-1743	Canyon Lake Dam Recon	95,986.40	190,000.00	94,013.60
	SS03-1662	Adams St Sewer Impr	24,798.80	36,002.91	11,204.11
	SS06-1635	Catron	40,815.34	552,472.67	511,657.33
	SS07-1658	Elk Vale	170,348.92	1,260,000.00	1,089,651.08
	SS07-1664	Elk Vale Lift Station	9,972.00	880,000.00	870,028.00
	ST06-1334	E Mall Dr	5,380,477.83	6,584,135.81	1,203,657.98
	ST07-1604	St Andrew St Recon	1,254,210.15	1,303,504.66	49,294.51
	ST08-1700	N Maple/E Disk Drive	84,755.98	717,250.51	632,494.53
	W07-1638	Elk Vale	1,665,692.11	5,866,121.60	4,200,429.49
	W08-1744	Wisconsin Ave Water Main	369,816.35	411,904.00	42,087.65
	WRF07-1649	Digester Repair	592,312.22	880,000.00	287,687.78
		Outbound Conveyor Belt	550,894.83	704,800.00	153,905.17
Total Business-Type Activities			13,887,939.41	23,962,192.16	10,074,252.75
Grand Total			21,319,608.78	35,343,179.33	14,023,570.55

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, 2008, the governmental long-term debt of the financial reporting entity consisted of the following:

<p>\$12,695,000 Sales Tax Refunding Revenue Bonds, Series 2002. Due in annual installments of \$1,000,000 to \$1,585,000 through June 2012. Interest at 5.5 percent. (This issue is being serviced by the Consolidated Construction Special Revenue Fund.) Interest paid in 2008 was \$358,600.</p>	\$5,875,000.00
<p>Portion of Sales Tax Revenue Refunding Bonds, Series 2008 serviced by the Consolidated Construction Special Revenue Fund (22 percent). Interest paid in 2008 was \$18,798.99. See long-term debt schedule for business-type activities for a full description of this bond issue.</p>	1,021,900.00
<p>\$16,270,000 Sales Tax Revenue Bonds, Series 2005. Due in semi-annual installments of \$290,000 to \$915,000 through June 2016. Interest at 2.65 to 4.75 percent. (This issue is being serviced by the Utility Facilities Fund.) Interest paid in 2008 was \$494,780.</p>	12,010,000.00
<p>\$29,190,000 Sales Tax Revenue Bonds, Series 2005b. Due in eleven semi-annual installments of \$1,235,000 to \$3,090,000 through December 2012. Interest at 4.0 to 5.0 percent. (This issue is being serviced by the 2012 Sales Tax Special Revenue Fund.) Interest paid in 2008 was \$1,225,925.</p>	22,840,000.00
<p>\$8,055,000 Sales Tax Revenue Bonds, Series 2007. Interest only payments are due in years 2007-2012. Semi-annual principal installments of \$1,945,000 to \$2,085,000 due June 2013 through December 2014. Interest at 4.5 to 5.0 percent. (This issue is being serviced by the 2012 Sales Tax Special Revenue Fund.) Interest paid in 2008 was \$383,075.</p>	8,055,000.00
<p>\$3,500,000 Loan #1 from Drinking Water State Revolving Fund (83.33% is federal loan). Due in quarterly installments of \$4,200 to \$49,000 beginning July 2008 through January 2028. Interest at 3.5 percent. (This issue is being serviced by property tax revenues received on TID 43). Only partial draw of this loan was taken at 12/31/2008. Interest paid in 2008 was \$58,594.32.</p>	<u>2,762,496.18</u>
	52,564,396.18
<p>Unamortized deferred premium</p>	<u>1,641,945.00</u>
	54,206,341.18
Compensated Absences:	
Accrued Leave Payable General Fund	2,068,116.00
Accrued Leave Payable Other Government Funds	<u>13,196.00</u>
	2,081,312.00

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Financing (Capital Acquisition) Leases

\$500,000 under an agreement with Wells Fargo Brokerage Services, LLC dated July 14, 2004, for the purchase of a 2004 Bomag Compactor and a Jet Vac, which are security for the lease. Due in annual installments of \$112,408, including interest at 4.03 percent. The final payment is due June 7, 2009. The lease is serviced by Solid Waste Disposal Fund for \$340,000 and General Fund (Street Department) for \$160,000. Interest paid in 2008 is \$2,732.94. 34,577.31

\$232,597 under an agreement with Oshkoh Capital dated August 18, 2006 for the purchase of a fire truck, which is security for the Lease. Due in annual installments of \$85,331.60, including interest at 4.95 percent. The final payment is due August 24, 2009. The lease is serviced by the General Fund (Fire Department). Interest paid in 2008 is \$7,859.56. 81,306.96

\$291,000 under an agreement with Wells Fargo Brokerage Services, LLC, dated July 20, 2006 for the purchase of cardiac monitoring equipment, which is security for the Lease. Due in annual installments of \$106,817.65, including interest of 4.98 percent. The final payment is due August 3, 2009. The lease is serviced by the General Fund (Library and Swimming Pools) for \$8,750 and by Ambulance, Water, Wastewater, Airport and Civic Center for \$282,250. Interest paid in 2008 is \$247.34. 2,403.07

\$727,295.01 under an agreement with Wells Fargo Brokerage Services, LLC, dated June 10, 2008 for the purchase of an aerial fire truck, which is security for the Lease. Due in semi-annual installments of \$60,775.84, including interest of 4.33 percent. The final payment is due June 10, 2015. The lease is serviced by the General Fund (Fire Department). Interest paid in 2008 is \$15,745.94. 682,265.10

Total Leases 800,552.44

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.

NOTE 4. LONG-TERM LIABILITIES (Continued)

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, 2008, there were 14 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, 2008. The maximum payoff amounts represent the amount of future tax revenues that were pledged at the time of certification. Increment property taxes are projected to produce 100 % of the maximum debt service requirements presented below.

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

During the year ended December 31, 2008, principal and interest expenditures and property tax revenues were \$1,886,788.08 and \$3,995,993.11, respectively. These amounts include property tax revenues and principal and interest expenditures related to improvements within tax increment districts funded with City debt or reserves. Each of the individual debt issues listed below have their own debt service fund from which the debt is serviced.

TID 19 – Spiegel – Created in 1990, maximum payoff \$2,470,361 including interest at 11.5 percent, expires 8/16/10.	\$1,030,135.53
TID 29 – Fiberswitch Technology – Created in 1998, maximum payoff \$90,480 including interest at 9.0 percent, expires 10/5/18.	67,033.81
TID 33 – Fenske Media – Created in 2001, maximum payoff \$738,771 including interest at 9.0 percent, expires 12/17/21.	256,956.87
TID 35 – Estes/Elk Creek – Created in 2002, maximum payoff \$514,103 including interest at 8.5 percent, expires 3/18/22.	104,366.97
TID 36 – Disc Drive – Created in 2002, maximum payoff \$2,055,973 including interest at NY Prime + 1.25 percent (currently 7.25 percent), expires 10/16/22.	* 29,019.25
TID 38 – Heartland Business – Created in 2003, maximum payoff \$6,360,879 including interest at 9.5 percent, expires 2/13/23.	* 2,269,933.77

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

TID 39 – E Rapid Plaza – Created in 2003, maximum payoff \$1,276,274 including interest at 7.75 to 8.25 percent, expires 4/21/23.	*	370,624.23
TID 40 – SoCreek Village – Created in 2003, maximum payoff \$1,140,164 including interest at 7.0 percent, expires 5/19/23.		647,214.19
TID 41 – 5 th Street – Created in 2005, maximum payoff \$4,391,907.25 including interest at 9.0 percent, expires 6/22/25.	*	1,875,779.85
TID 46 – Red Rocks Meadows – Created in 2004, maximum payoff \$2,372,404 including interest at 9.0 percent, expires 9/24/24.		691,419.98
TID 48 – E St Charles Rd – Created in 2004, maximum payoff \$78,124 including interest at 9.0 percent, expires 11/15/24.	*	23,894.57
TID 51 – Kateland Subdivision – Created in 2005, maximum payoff \$747,820 including interest at 6.0 percent, expires 1/17/25.	*	584,381.09
TID 53 – Stony Creek Plaza – Created in 2005, maximum payoff \$3,199,074 including interest at 8.0 to 9.75 percent, expires 7/5/25.		491,758.28
TID 54 – Rainbow Ridge – Created in 2005, maximum payoff \$5,106,456.72 including interest at 9.0 percent, expires 10/3/25.	*	<u>575,027.74</u>
Total Tax Increment District Liabilities		9,017,546.13
Other Post Employment Benefit Liabilities		<u>630,415.84</u>
Total Liabilities Payable		<u>\$66,736,167.59</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	\$1,268,240.50
Accumulated depreciation – Public Works	(76,567.89)
Accumulated depreciation – Public Safety	<u>(113,483.16)</u>
Net assets recorded under capital leases	<u>\$1,078,189.45</u>

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

The annual requirements for maturity for governmental activities long-term debt (excluding compensated absences and other post employment benefits) outstanding as of December 31, 2008, are as follows:

Year Ending December 31	<u>Revenue Bonds</u>		<u>Capital Lease</u>		<u>TID Liabilities</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$8,670,418.80	\$2,245,495.56	\$211,292.95	\$34,090.91	\$1,438,273.15	\$773,590.20
2010	9,051,753.31	1,869,110.60	97,076.34	24,475.34	2,314,920.75	555,058.35
2011	9,443,816.69	1,473,950.42	101,325.26	20,226.43	1,149,221.61	435,314.77
2012	9,862,107.54	1,043,452.52	105,760.13	15,791.55	1,220,574.74	335,176.55
2013	6,119,719.57	653,587.79	110,389.12	11,162.57	572,758.98	243,467.53
2014-2018	9,500,947.96	758,907.79	174,708.64	7,618.88	1,794,504.45	716,797.28
2019-2023	779,449.94	209,758.86			527,292.45	76,524.37
2024-2028	778,127.37	62,700.11				
Total	\$54,206,341.18	\$8,316,963.65	\$800,552.44	\$113,365.68	\$9,017,546.13	\$3,135,929.05

The above noted annual requirements for maturity for the tax increment financing debt are based on actual tax increment revenues received in 2008; estimated tax increment revenues projected by Pennington County to receive in 2009; and estimated tax increment revenues as per the approved project plans.

Business-Type Activities:

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

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Parking Lot Fund</u>
CY Principal and Interest	\$573,200.00	\$859,825.72	\$23,885.00
Pledged Revenue	\$572,000.00	\$8,452,855.89	\$627,200.79

As of December 31, 2008, the long-term debt payable from proprietary fund resources consisted of the following:

\$986,685 Loan No. 2 from State Revolving Fund (83.33% is federal loan). Due in fifteen quarterly installments of \$49,000 to \$85,000 through December 2009. Interest at 4.0 percent. (This issue is being serviced by pledged sewer user fees.) Interest expense in 2008 was \$5,542.95. \$86,413.95

\$674,577 Loan No. 3 from State Revolving Fund (83.33% is federal loan). Due in fifteen quarterly installments of \$19,000 to \$25,000 through May 2010. Interest at 4.0 percent. (This issue is being serviced by pledged sewer user fees.) Interest expense in 2008 was \$4,885.14. 87,335.35

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

\$1,214,861 Loan No. 4 from State Revolving Fund (83.33% is federal loan). Due in fifteen quarterly installments of \$50,630 to \$104,787 through December 2009. Interest at 4.0 percent. (This issue is being serviced by solid waste disposal fees.) Interest expense in 2008 was \$7,797.60	131,674.92
\$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 2008 was \$0.	2,465,000.00
\$2,090,000 Water Revenue Refunding Bonds of 2006. Due in four annual installments of \$500,000 to \$550,000 through 2009. Interest at 4.0 percent. (This issue is being serviced by pledged Water Enterprise Fund revenues.) Interest expense in 2008 was \$43,200.00	550,000.00
\$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 2008 was \$66,650.98.	4,645,000.00
\$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 2008 was \$76,312.50.	5,540,000.00
\$14,000,000 Loan No. 5 from State Revolving Fund. Payable in quarterly installments through October 2022. Interest at 4.5 percent. (This issue is to be serviced by pledged Wastewater Fund revenues). Interest expense in 2008 was \$515,081.83.	11,095,884.38
\$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 2008 was \$44,840.00.	855,000.00
	<u>25,456,308.60</u>
Less portion of 2008 Sales Tax Refunding Bonds Serviced by Consolidated Construction Sales Tax Fund (22%).	(1,021,900.00)
Less unamortized deferred costs on refunding	<u>(117,074.21)</u>
	24,317,334.39
Compensated Absences:	
Accrued Leave payable from Water Fund	147,585.29
Accrued Leave payable from Wastewater Fund	104,425.87
Accrued Leave payable from Airport Fund	108,812.00
Accrued Leave payable from Solid Waste MRF Fund	31,874.22
Accrued Leave payable from Civic Center Fund	157,564.73
Accrued Leave payable from Non-major Enterprise Funds	<u>215,798.03</u>
	766,060.14

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Financing (Capital Acquisition) Leases

\$150,265 under an agreement with PAJO Properties, LLC dated November 3, 2003, for the purchase of supplies and materials to construct a new golf cart barn and other improvements at Meadowbrook Golf Course. Due in monthly installments of \$1,614 including interest at 10 percent. The final payment is due August 19, 2019. The lease is financed by the Golf Fund. Interest expense in 2008 is \$12,975.08. 126,230.96

\$500,000 under an agreement with Wells Fargo Brokerage Services, LLC dated July 14, 2004, for the purchase of a 2004 Bomag Compactor and a Jet Vac, which are security for the lease. Due in annual installments of \$112,408 including interest at 4.03 percent. The final payment is due June 7, 2009. The lease is serviced by Solid Waste Disposal Fund for \$340,000 and General Fund (Street Department) for \$160,000. Interest expense in 2008 is \$5,807.50. 108,054.21

\$835,000 under an agreement with Wells Fargo Brokerage Services, LLC dated July 7, 2005, for the construction of the airport parking lot. Due in semi-annual installments of \$56,932.49, which includes interest at 6.31 percent. The final payment is due July 7, 2015. The lease is serviced by the Airport Fund. Interest expense in 2008 was \$21,204.72 600,740.35

\$291,098 under an agreement with Wells Fargo Brokerage Services, LLC dated May 3, 2006 for the purchase of three (3) ambulances which are all security for the lease. Due in annual installments of \$106,153.40, including interest at 4.63 percent. The final payment is due May 3, 2009. This lease is serviced by the Ambulance Fund. Interest expense in 2008 was \$9,186.96. 101,455.56

\$291,000 under an agreement with Wells Fargo Brokerage Services, LLC, dated July 20, 2006 for the purchase of cardiac monitoring equipment, which is security for the Lease. Due in annual installments of \$106,817.65, including interest of 4.98 percent. The final payment is due August 3, 2009. The lease is serviced by the General Fund (Library and Swimming Pools) for \$8,750 and by Ambulance, Water, Wastewater, Airport and Civic Center for \$282,250. Interest expense in 2008 is \$9,893.97. 100,524.91

Less portion of \$291,000 lease paid by governmental funds (2,403.07)
 Less portion of \$500,000 lease paid by governmental funds (34,577.31)
1,000,025.61

Accrued Landfill Closure 1,203,097.30

Other Post Employment Benefit Liabilities 238,990.18

Total Liabilities Payable \$27,525,507.62

State Revolving Fund loans paid in full during 2008 incurred interest expense of \$3,289.07. Sales Tax Revenue Bonds paid in full during 2008 incurred interest expense of \$17,255.00. Parking Revenue bonds defeased during 2008 incurred interest expense of \$47,770.00. Sales Tax Revenue bonds refunded in 2008 incurred interest expense of \$192,119.85.

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

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

Gross amount of assets recorded under capital leases – land improvements	\$1,287,727.12
Gross amount of assets recorded under capital leases – buildings	150,265.32
Gross amount of assets recorded under capital leases – equipment	960,374.70
Accumulated depreciation – Airport	(178,672.22)
Accumulated depreciation – Golf	(12,171.58)
Accumulated depreciation – Solid Waste Disposal	(315,508.50)
Accumulated depreciation – Ambulance	<u>(294,643.96)</u>

Net assets recorded under capital leases \$1,597,370.88

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, 2008, are as follows:

Year Ending December 31	<u>Revenue Bonds</u>		<u>Capital Lease</u>	
	Principal	Interest	Principal	Interest
2009	\$2,251,183.83	\$1,047,229.27	\$319,369.19	\$43,818.43
2010	1,582,329.22	927,603.61	87,484.73	45,757.37
2011	1,580,376.47	869,702.55	93,409.44	39,832.66
2012	1,640,155.56	807,870.76	99,747.14	33,494.97
2013	1,710,170.03	741,360.24	106,527.75	26,714.36
2014-2018	6,748,164.33	2,769,268.54	282,551.12	42,063.58
2019-2023	6,000,625.23	1,329,883.66	10,936.24	367.52
2024-2028	2,804,329.72	374,012.50		
Total	<u>\$24,317,334.39</u>	<u>\$8,866,931.13</u>	<u>\$1,000,025.61</u>	<u>\$232,048.89</u>

Arbitrage Rebate Liability (included in Accrued Interest Expense)

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. At December 31, 2008, the City reported a total arbitrage rebate liability of \$725,732.98 reported in governmental activities. This amount has also been recorded in the governmental funds as the City has set aside funds to retire the arbitrage liability.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2008:

Primary Government:

Government Activities:	Liabilities Payable 1/1/2008	Issued	Retired	Liabilities Payable 12/31/2008	Due Within One Year
Lease	\$ 231,286.00	\$ 727,295.01	(\$158,028.57)	\$800,552.44	\$211,292.95
Revenue Bond	60,243,120.00	3,331,996.00	(9,368,774.82)	54,206,341.18	8,670,418.80
Compensated Absence	2,050,771.00	150,631.00	(120,090.00)	2,081,312.00	80,000.00
TID	7,202,432.01	2,871,219.19	(1,056,105.07)	9,017,546.13	1,438,273.15
Other Post Employment Benefits	-0-	850,759.65	(220,343.81)	630,415.84	220,343.82
Total	<u>\$69,727,609.01</u>	<u>\$7,931,900.85</u>	<u>(\$10,923,342.27)</u>	<u>\$66,736,167.59</u>	<u>\$10,620,328.72</u>

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

	Liabilities Payable			Liabilities Payable	Due Within
Business Activities:	1/1/2008	Issued	Retired	12/31/2008	One Year
Leases	\$ 1,341,242.00	\$ -0-	(\$341,216.39)	\$ 1,000,025.61	\$319,369.19
Accrued Landfill Closure (Note 14)	1,162,412.00	40,685.30	-0-	1,203,097.30	-0-
Revenue Bonds	20,359,200.00	11,628,100.00	(7,669,965.61)	24,317,334.39	2,251,183.83
Other Post Employment Benefits	-0-	322,522.35	(83,532.17)	238,990.18	83,532.18
Compensated Absences	589,101.00	179,037.77	(2,078.63)	766,060.14	38,500.00
Total	\$23,451,955.00	\$12,170,345.42	(\$8,096,792.80)	\$27,525,507.62	\$2,692,585.20

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 of \$1,255,000 of Parking Revenue Bonds, Series 2003. New bonds were not issued as part of this transaction. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. The outstanding principal of the defeased bonds is \$1,155,000 at December 31, 2008. This debt was previously recorded in the business-type activities.

In addition, the City of Rapid City provided cash resources in the amount of \$1,083,783.75 and issued \$4,645,000 of Sales Tax Revenue Refunding bonds, Series 2008 for a current refunding of \$5,605,000 of the Sales Tax Revenue Refunding bonds, Series 1998. The refunding was undertaken to reduce the total future debt payments. The transaction resulted in an economic gain of \$413,708.16 and a reduction of \$337,680.06 in future debt service payments. \$3,541,275.20 and \$1,103,724.80 of the new debt was used to refund debt previously recorded in the business-type activities and the governmental activities, respectively.

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivable and payable balances at December 31, 2008 were:

	Interfund Receivable	Interfund Payable
General Fund:	\$4,231,860.78	
Special Revenue Funds:		
Consolidated Construction	1,295,106.07	
2012 Sales Tax Fund	125,911.56	
Utility Facilities Fund	2,729,000.00	
TID 56 Fund		\$1,896,000.00
TID 49 Fund		188,856.00
TID 38 Fund		100,000.00
TID 39 Fund		1,191,144.00
TID 41 Fund		793,958.97
TID 42 Fund		350,000.00
Total Governmental Funds	\$8,381,878.41	\$4,519,958.97
Enterprise Fund:		
Water Fund		\$270,000.00
Wastewater		483,000.00
Civic Center	\$183,334.66	480,543.00
Golf Courses		125,911.56
Ambulance		254,544.67
Solid Waste Collection		67,248.48
Energy Plant		183,334.66
Parking Lot & Area		2,247,920.21
Solid Waste Disposal	37,935.04	
MRF	29,313.44	
Total Enterprise Funds	\$250,583.14	\$4,112,502.58

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

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 \$46,664.18.

The General Fund loaned monies to Tax Increment District 41 Fund for infrastructure improvements. The current portion expected to be repaid to the General Fund is \$18,131.03.

The General Fund loaned monies to the Parking Lot & Area Fund for short-term cash flow needs while waiting for reimbursement from the City's Fiscal Agent. The current portion expected to be repaid to the General Fund is \$2,247,920.21.

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

The Consolidated Construction Fund loaned monies to the Civic Center Fund for capital projects. The current portion expected to be repaid to the Consolidated Construction Fund is \$480,543.00.

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 \$163,179.29.

The 2012 Sales Tax fund loaned monies to the Golf Course Fund to construct a pro shop. The current portion expected to be repaid to the 2012 Sales Tax fund is \$22,336.26.

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

The Utility Facilities Fund loaned monies to Tax Increment District 56 and 42 funds for the construction of water and sewer infrastructure. The current portion expected to be repaid to the Utility Facilities Fund is \$0 as this will be repaid as tax increment revenues are received based on the project plans.

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

The Solid Waste Disposal Fund loaned monies to the Solid Waste Collection Fund for operational costs. The current portion expected to be repaid to the Solid Waste Disposal Fund is \$67,935.04.

The MRF Fund loaned monies to the Solid Waste Collection Fund for operational costs. The current portion expected to be repaid to the Solid Waste Disposal Fund is \$29,313.44

The Civic Center 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 \$183,334.66.

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers during the year ended December 31, 2008 were as follows:

	Transfers In	Transfers Out
GENERAL FUND		
Enterprise-Major		
Water	\$219,753.00	
Wastewater	137,057.00	
Solid Waste MRF/Compost	46,264.00	
Civic Center	133,154.00	\$25,723.00
Airport		
Enterprise-Nonmajor	52,664.00	140,614.00
Special Revenue – Major		
Consolidated Construction	200,000.00	
Total General Fund	<u>\$788,892.00</u>	<u>\$166,337.00</u>
GOVERNMENTAL FUNDS:		
2012 Sales Tax		
Enterprise – Nonmajor		\$638,000.00
Total 2012 Sales Tax		<u>\$638,000.00</u>
Consolidated Construction		
General		\$200,000.00
Special Revenue - Nonmajor	\$1,380,000.00	
Solid Waste MRF/Compost		1,346,772.25
Nonmajor Enterprise		8,488.80
Total Consolidated Construction	<u>\$1,380,000.00</u>	<u>\$1,555,261.05</u>
Utility Facilities Fund		
Water		\$3,150,000.00
Wastewater		3,372,000.00
Total Utility Facilities Fund		<u>\$6,522,000.00</u>
Nonmajor Governmental		
Consolidated Construction		\$1,380,000.00
Water		192,219.78
Wastewater		65,000.00
Nonmajor Enterprise		8,942.35
Total Nonmajor Governmental		<u>\$1,646,162.13</u>
Total Governmental Funds	<u>\$2,168,892.00</u>	<u>\$10,527,760.18</u>

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

	Transfers In	Transfers Out
ENTERPRISE FUNDS:		
Water		
General		\$219,753.00
Utility Facilities	\$3,150,000.00	
Nonmajor Governmental	192,219.78	
Wastewater	5,850.00	
Total Water	<u>\$3,348,069.78</u>	<u>\$219,753.00</u>
Wastewater		
General		\$137,057.00
Water		5,850.00
Utility Facilities	\$3,372,000.00	
Nonmajor Governmental	65,000.00	
Total Wastewater	<u>\$3,437,000.00</u>	<u>\$142,907.00</u>
Solid Waste MRF/Compost		
General		\$46,264.00
Consolidated Construction	\$1,346,772.25	
Other Nonmajor Enterprise	4,698.00	
Total Solid Waste MRF/Compost	<u>\$1,351,470.25</u>	<u>\$46,264.00</u>
Civic Center		
General	\$25,723.00	\$133,154.00
Total Civic Center	<u>\$25,723.00</u>	<u>\$133,154.00</u>
Nonmajor Enterprise		
General	\$144,230.00	\$52,664.00
Vision 2012	638,000.00	
Consolidated Construction	8,488.80	
Nonmajor Governmental	8,942.35	
Solid Waste MRF		4,698.00
Other Nonmajor Enterprise	72,527.00	76,143.00
Total Nonmajor Enterprise	<u>\$872,188.15</u>	<u>\$133,505.00</u>
Total Enterprise	<u>\$9,034,451.18</u>	<u>\$675,583.00</u>
Internal Service		
Other Internal Service	\$300,000.00	\$300,000.00
Total Internal Service	<u>\$300,000.00</u>	<u>\$300,000.00</u>
Total Transfers	<u>\$11,503,343.18</u>	<u>\$11,503,343.18</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

NOTE 6. DUE FROM OTHER GOVERNMENTS

<u>GOVERNMENTAL FUNDS:</u>	
General Fund	
Local Government Highway/Bridge	\$79,884.62
Motor Vehicle	37,730.33
Liquor Tax Reversion	87,362.12
Air Quality Grant	6,666.58
Historic Preservation	1,541.53
Police Grant	101,193.52
Blood Testing	15,120.00
Urban Mass Transit Grant	113,197.00
Transportation Planning	401,844.91
Total	<u>\$844,540.61</u>
Consolidated Construction Fund	
Omaha St Corridor	\$460,000.00
Total	<u>\$460,000.00</u>
Nonmajor Governmental Funds	
Library Grant	\$126.00
RSVP	\$2,682.95
Total	<u>\$2,808.95</u>
Total Governmental Funds	<u>\$1,307,349.56</u>
<u>PROPRIETARY FUNDS:</u>	
SW MRF/Compost Fund	
Landfill Services – City of Hermosa	\$4,613.89
Total	<u>\$4,613.89</u>
Airport Fund	
Airport Improvement Project	\$1,377,188.04
Total	<u>\$1,377,188.04</u>
Nonmajor Proprietary Funds	
SW Disposal Fund	
Landfill Services – City of Hermosa	\$2,813.75
Total	<u>\$2,813.75</u>
Total Proprietary Funds	<u>\$1,384,615.68</u>
Grand Total	<u>\$2,691,965.24</u>

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

NOTE 7. SEGMENT INFORMATION

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

	Parking Lot and Area Enterprise Fund
BALANCE SHEET	
Assets	
Current Assets	\$3,409,247.90
Capital Assets	6,566,517.37
Total Assets	<u>\$9,975,765.27</u>
Liabilities	
Other Current Liabilities	\$2,520,910.96
Noncurrent Liabilities	2,433,955.97
Total Liabilities	<u>\$4,954,866.93</u>
Net Assets	
Invested in Capital Assets Net of related debt	4,113,370.06
Revenue Bond Retirement	2,464,343.38
Unrestricted	(1,556,815.10)
Total Net Assets	<u>\$5,020,898.34</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$627,200.79
Depreciation Expense	(39,954.07)
Other Operating Expenses	(426,465.37)
Operating Income	<u>160,781.35</u>
Investment Income	80,217.06
Interest Expense	(87,156.20)
Net Income	<u>153,842.21</u>
Transfers	620,327.00
Changes in Net Assets	<u>774,169.21</u>
Beginning Net Assets	4,246,729.13
Ending Net Assets	<u>\$5,020,898.34</u>

STATEMENT OF CASH FLOWS

Net Cash Provided (used) by:	
Operating Activities	\$2,553,310.90
Noncapital Finance Activities	620,327.00
Capital and Related Financing Activities	(1,487,457.22)
Investing Activities	(2,273,797.68)
Net Decrease	<u>(587,617.00)</u>
Beginning Cash and Equivalents	587,617.00
Ending Cash and Equivalents	<u>\$-0-</u>

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

NOTE 8. 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, 2008, there were 32 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 \$58,348,023. As of December 31, 2008, there was one series of conduit bonds outstanding that had been issued subsequent to August 1995. The original total issue amount of these bonds was \$2,000,000, and the approximate outstanding balance as of December 31, 2008 was \$390,000.

NOTE 9. 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, 2008, 2007 and 2006 are \$2,180,730, \$2,108,276 and \$2,041,285 respectively, equal to the required contributions each year.

NOTE 10. 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 573 active participants and 83 retirees who are participating in the plan. The health plan does not issue separately stated stand-alone financial statements.

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

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (continued)

For fiscal year 2008, the City's annual OPEB cost for the retiree health insurance was \$1,173,282. The City's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended December 31, 2008, were as follows:

ARC	\$ 1,173,282.00
Interest on Net OPEB	-
Adjustment to ARC	-
Annual OPEB Cost	<u>1,173,282.00</u>
Contributions Made	<u>(303,876.00)</u>
Change in net OPEB obligation	869,406.00
Net OPEB obligation-beg of year	-
Net OPEB obligation-end of year	<u>\$ 869,406.00</u>

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

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

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of January 1, 2008, was as follows:

Actuarial Present Value of Future Benefits.....	<u>\$19,356,971.00</u>
Actuarial Accrued Liability.....	\$12,867,931.00
Actuarial Value of Benefit Assets.....	<u>-</u>
Unfunded Actuarial Accrued Liability.....	<u>\$12,867,931.00</u>
Funded Ratio.....	0.0%
Covered Payroll.....	\$31,138,695.09
Unfunded Actuarial Accrued Liability as a percentage Of Covered Payroll.....	41.3%

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

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

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

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

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 2008, the monthly rates were \$367 for single coverage; \$734 for two-party; \$1,121 for family (up to 4); \$1,233 for family (5+); and \$325 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 require the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability.

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

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

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

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

NOTE 11. DEFICIT FUND BALANCE

As of December 31, 2008, there are deficit fund balances in the following funds: TID 56 (\$1,882,699.50), TID 49 (\$164,440.33), TID 38 (\$4,979.85), TID 39 (\$1,186,108.27), TID 41 (\$721,414.78), all of which will be funded through property tax revenues received on the respective tax increment district; and Community Development Fund (\$52,394.10), which will be funded through CDBG reimbursements.

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

NOTE 12. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS:

The City is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations as of December 31, 2008:

Consolidated Construction – Transfer Out	\$1,355,261.05
TID 54 – Transfer Out	127,219.78
TID 49 – Transfer Out	188,856.00
TID 39 – Transfer Out	1,191,144.00
TID 41 – Capital Outlay	1,918,530.06
TID 41 – Transfer Out	130,000.00
Cemetery Perpetual Care – Transfer Out	8,942.35

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 13. 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 14. 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.

The City has reserved equity in the workers compensation fund of \$136,727.72, in the medical insurance fund of \$4,144,657.76, in the unemployment insurance fund of \$285,163.12, in the liability insurance fund of \$963,904.46, and in the dental insurance fund of \$110,396.52 for the payment of such future claims.

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

NOTE 14. RISK MANAGEMENT (continued)

Changes in the aggregate liabilities of the self-insurance funds during 2008 were as follows:

	Liability Insurance	Dental Insurance	Workers Comp. Insurance	Medical Insurance	Unempl. Insurance
Benefit Claims Payable at Beginning of Year	\$276,240.00	\$8,093.00	\$1,065,611.00	\$622,501.00	\$5,361.00
Claims Incurred: Attributable to Insured Events of the Current Year	271,351.77	108,085.78	1,077,973.33	4,412,323.83	12,382.46
Claims Paid: Attributable to Insured Events of the Current and Prior Years	(195,828.92)	(110,035.98)	(560,911.08)	(4,344,494.08)	(12,824.13)
Benefit Claims Payable At End of Year	\$351,762.85	\$6,142.80	\$1,582,673.25	\$690,330.75	\$4,919.33

NOTE 15. 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 \$1,203,097.30 reported as landfill closure and postclosure care liability at December 31, 2008 represents the cumulative amount reported to date based on the issue of 27.6 percent of the estimated capacity of the landfill. This liability includes an accrual for remedial action costs. The City will recognize the remaining estimated cost of closure and postclosure care of \$3.048 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. 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, 2008, investments of \$1,203,097.30 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.

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

NOTE 16. SUBSEQUENT EVENTS

Subsequent to year-end, market and economic conditions have substantially declined. Through the date of the independent auditor's report, the City has experienced an overall loss on its investments. Total losses are less than 1% of the investment balances as of December 31, 2008.

Subsequent to year-end, the City has entered into a capital lease for the purchase of additional ambulances. The total lease amount is \$538,886.00 with an interest rate of 4.67% for four years. This will be financed through the Ambulance Enterprise Fund.

Subsequent to year-end, the City purchased property from the Rapid City Area School District in the amount of \$383,580.00. The City will be constructing the Jackson Springs Water Treatment Plant at this site and the additional land was needed for said construction. In anticipation of the construction, the City will be issuing approximately \$45 million of Water Revenue Bonds, with the closing expected in November 2009. In 2009, the City also applied for and received a \$6 million SRF loan and a \$1 million grant through the State of South Dakota for this project.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
311 General Property Taxes	\$11,832,551.00	\$11,832,551.00	\$11,698,733.66
313 General Sales and Use Taxes	18,940,303.00	18,940,303.00	19,882,469.61
314 Gross Receipts Business Taxes	555,000.00	555,000.00	666,099.16
320 Licenses and Permits	2,028,647.00	2,028,647.00	1,912,777.35
330 Intergovernmental Revenue:			
331 Federal Grants	1,947,211.00	1,947,211.00	2,349,361.09
334 State Grants	58,925.00	83,932.27	75,500.00
335 State Shared Revenue:			
335.01 Bank Franchise Tax	100,000.00	100,000.00	97,568.33
335.03 Liquor Tax Reversion	340,000.00	340,000.00	363,523.38
335.04 Motor Vehicle Licenses (5%)	43,500.00	43,500.00	41,372.82
335.06 Fire Insurance Reversion	168,000.00	168,000.00	189,339.36
335.08 Local Government Highway and Bridge Fund	425,000.00	425,000.00	445,393.98
338 County Shared Revenue:			
338.01 County Road Tax (25%)	246,500.00	246,500.00	241,899.88
340 Charges for Goods and Services:			
341 General Government	67,036.00	78,542.90	263,887.12
342 Public Safety	423,350.00	601,350.00	829,149.86
343 Public Works	20,000.00	153,256.25	236,622.72
345 Health & Welfare	270,000.00	270,000.00	311,703.92
346 Culture and Recreation	1,190,972.00	1,640,004.00	1,578,682.47
349 Conservation & Development	457,500.00	457,500.00	-
350 Fines and Forfeits:			
351 Court Fines and Costs	150,000.00	150,000.00	65,199.02
360 Miscellaneous Revenue:			
361 Interest Earnings	689,219.00	689,219.00	1,184,819.67
362 Rentals	20,000.00	20,000.00	147,180.58
363 Special Assessments	-	16,800.00	299,017.59
369 Other	256,794.00	256,794.00	38,552.93
Total Revenue	40,230,508.00	41,044,110.42	42,918,854.50
Expenditures:			
410 General Government:			
411 Contingency	194,476.00	194,476.00	-
Transferred		(32,802.00)	-
412 Executive-Mayor & Council	629,325.00	631,040.78	572,949.07
414 Financial - Community Resources	111,316.00	490,485.47	474,262.52
414 Financial - Finance	781,570.00	824,330.02	795,371.56
414 Financial - Attorney	82,617.00	88,439.36	48,279.43
414 Financial - Personnel	159,244.00	203,059.03	203,063.63
419 Other - Government Bldgs	841,281.00	847,531.50	756,719.86
420 Public Safety:			
421 Police	12,293,023.00	12,270,138.15	11,364,646.35
422 Fire	7,681,651.00	7,862,421.65	7,673,377.72
429 Other Protection-Corrections	65,920.00	65,920.00	27,989.23
429 Other Protection-Code Enforcement	254,365.00	229,033.83	222,952.20
429 Other Protection-ACE	32,193.00	39,246.14	38,863.91

	ORIGINAL <u>BUDGET</u>	FINAL <u>BUDGET</u>	ACTUAL (Budgetary Basis)
429 Other Protection-Emergency Mgt	84,119.00	85,121.00	85,121.00
430 Public Works:			
431 Highways and Streets	5,176,643.00	5,472,715.85	5,144,764.96
43x Administration	16,904.00	203,558.97	(8,505.79)
440 Health and Welfare:			
441 Health	409,831.00	409,831.00	394,770.58
444 Humane Society	235,197.00	235,197.00	235,196.64
449 Other - Public Transit	1,645,757.00	1,756,906.98	1,698,991.82
449 Other - Air Quality	86,529.00	89,303.72	33,224.42
450 Culture and Recreation:			
451 Recreation	374,674.00	371,219.06	362,229.18
451 Swimming Pools	1,572,424.00	1,568,890.12	1,537,390.25
451 Ice Arena	591,105.00	647,137.13	633,303.05
452 Parks	2,250,619.00	2,280,446.44	2,045,914.08
455 Libraries	2,726,743.00	3,046,971.01	2,787,266.64
457 Historical Preservation	5,000.00	13,735.27	4,369.58
459 Other - Parks & Recreation Admin	207,687.00	208,499.72	190,339.27
459 Other - Subsidies	225,907.00	225,907.00	195,906.50
460 Conservation and Development:			
465 Economic Development	455,000.00	455,000.00	410,000.00
465 Community Development	2,722,596.00	2,711,551.37	2,304,968.28
465 Transportation Planning	497,018.00	962,649.94	544,420.36
465 GIS Information System	100,000.00	187,104.24	124,550.70
470 Debt Service	144,093.00	232,095.04	184,748.51
485 Capital Outlay	2,542,616.00	3,578,797.47	2,560,168.39
Total Expenditures	<u>45,197,443.00</u>	<u>48,455,958.26</u>	<u>43,647,613.90</u>
Excess of Revenue Over (Under)			
Expenditures	(4,966,935.00)	(7,411,847.84)	(728,759.40)
Other Financing Sources (Uses):			
391.01 Transfers In	788,892.00	838,892.00	788,892.00
511 Transfers Out	(216,337.00)	(216,337.00)	(166,337.00)
391.03 Sale of Municipal Property	25,000.00	25,000.00	20,312.55
391.27 Capital Leases	-	727,295.00	727,295.00
Total Other Financing Sources (Uses)	<u>597,555.00</u>	<u>1,374,850.00</u>	<u>1,370,162.55</u>
Net Change in Fund Balances	(4,369,380.00)	(6,036,997.84)	641,403.15
Fund Balance - Beginning	16,899,316.93	16,899,316.93	16,899,316.93
FUND BALANCE- ENDING	<u><u>\$12,529,936.93</u></u>	<u><u>\$10,862,319.09</u></u>	<u><u>\$17,540,720.08</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, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,320,151.00	\$ 9,320,151.00	\$ 9,941,234.88
330 Intergovernmental Revenue			
331 Federal Grants	-	-	361,970.00
340 Charges for Goods and Services:			
341 General Government	29,891.00	29,891.00	983,439.31
346 Culture & Recreation	-	-	18,500.00
360 Miscellaneous Revenue:			
361 Interest Earnings	589,135.00	589,135.00	584,756.75
367 Contributions and Donations	-	-	87,612.00
Total Revenue	<u>9,939,177.00</u>	<u>9,939,177.00</u>	<u>11,977,512.94</u>
Expenditures:			
430 Public Works:			
431 Highways and Streets	2,900,000.00	2,949,689.65	600,488.33
43x Administration	248,583.00	253,404.00	253,404.00
450 Culture and Recreation			
451 Recreation	4,500,000.00	4,689,366.05	1,095,880.40
452 Parks	120,000.00	120,000.00	51,124.06
460 Conservation & Development			
465 Economic Development	500,000.00	777,000.00	776,238.00
470 Debt Service	6,729,000.00	7,014,000.00	7,033,233.79
485 Capital Outlay	2,750,000.00	19,571,090.12	16,340,019.01
490 Miscellaneous			
492 Other Expenditures	-	254,463.05	14,563.64
Total Expenditures	<u>17,747,583.00</u>	<u>35,629,012.87</u>	<u>26,164,951.23</u>
Excess of Revenue Over (Under) Expenditures	<u>(7,808,406.00)</u>	<u>(25,689,835.87)</u>	<u>(14,187,438.29)</u>
Other Financing Sources (Uses):			
511 Transfers Out	-	(14,000,000.00)	(638,000.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(14,000,000.00)</u>	<u>(638,000.00)</u>
Net Change in Fund Balances	(7,808,406.00)	(39,689,835.87)	(14,825,438.29)
Fund Balance - Beginning	35,483,461.95	35,483,461.95	35,483,461.95
FUND BALANCE- ENDING	<u>\$ 27,675,055.95</u>	<u>\$ (4,206,373.92)</u>	<u>\$ 20,658,023.66</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, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,592,132.00	\$ 9,592,132.00	\$ 9,941,234.89
340 Charges for Goods and Services:			
341 General Government	-	-	7,901.85
343 Public Works	1,047,960.00	4,833,800.00	400.04
360 Miscellaneous Revenue:			
361 Interest Earnings	36,555.00	36,555.00	673,732.74
367 Contributions and Donations	-	50,000.00	50,000.00
Total Revenue	<u>10,676,647.00</u>	<u>14,512,487.00</u>	<u>10,673,269.52</u>
Expenditures:			
430 Public Works:			
43x Administration	1,242,548.00	1,389,456.00	1,389,456.00
450 Culture & Receptions			
452 Parks	-	62,500.00	62,500.00
470 Debt Service	1,715,988.00	2,992,913.60	2,927,731.42
485 Capital Outlay	8,658,866.00	16,373,404.07	13,755,590.92
490 Miscellaneous			
492 Other Expenditures	350,000.00	5,000.00	8,691.83
Total Expenditures	<u>11,967,402.00</u>	<u>20,823,273.67</u>	<u>18,143,970.17</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,290,755.00)</u>	<u>(6,310,786.67)</u>	<u>(7,470,700.65)</u>
Other Financing Sources (Uses):			
391.01 Transfers In	-	1,380,000.00	1,380,000.00
511 Transfers Out	(200,000.00)	(200,000.00)	(1,555,261.05)
391.02 Long-term debt issued	-	1,233,100.00	1,103,724.80
Total Other Financing Sources (Uses)	<u>(200,000.00)</u>	<u>2,413,100.00</u>	<u>928,463.75</u>
Net Change in Fund Balances	(1,490,755.00)	(3,897,686.67)	(6,542,236.90)
Fund Balance - Beginning	22,223,211.20	22,223,211.20	22,223,211.20
FUND BALANCE- ENDING	<u>\$ 20,732,456.20</u>	<u>\$ 18,325,524.53</u>	<u>\$ 15,680,974.30</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, 2008**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 3,273,266.00	\$ 3,273,266.00	\$ 3,438,671.73
340 Charges for Goods and Services:			
343 Public Works	-	-	34,444.00
360 Miscellaneous Revenue:			
361 Interest Earnings	424,879.00	424,879.00	440,358.71
Total Revenue	<u>3,698,145.00</u>	<u>3,698,145.00</u>	<u>3,913,474.44</u>
Expenditures:			
470 Debt Service	1,867,280.00	2,169,780.00	1,668,058.87
490 Other Expenditures	-	2,500.00	7,428.13
Total Expenditures	<u>1,867,280.00</u>	<u>2,172,280.00</u>	<u>1,675,487.00</u>
Excess of Revenue Over (Under) Expenditures	<u>1,830,865.00</u>	<u>1,525,865.00</u>	<u>2,237,987.44</u>
Other Financing Sources (Uses):			
511 Transfers Out	(500,000.00)	(7,005,000.00)	(6,522,000.00)
391.02 Long-term debt issued	2,700,000.00	2,700,000.00	-
Total Other Financing Sources (Uses)	<u>2,200,000.00</u>	<u>(4,305,000.00)</u>	<u>(6,522,000.00)</u>
Net Change in Fund Balances	4,030,865.00	(2,779,135.00)	(4,284,012.56)
Fund Balance - Beginning	14,926,539.63	14,926,539.63	14,926,539.63
FUND BALANCE- ENDING	<u>\$ 18,957,404.63</u>	<u>\$ 12,147,404.63</u>	<u>\$ 10,642,527.07</u>

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

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

Budgets and Budgetary Accounting:

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

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

The following represents the overdrafts of the expenditures compared to appropriations for governmental funds. These overdrafts are primarily due to the year-end arbitrage accrual, the transfer of funds as part of the bond refinancing for the MRF/Consolidated Construction bond issue and trustee fees for the bond issues (in previous years this was expended as debt service).

Fund:	Final Budget	Actual Expenditure	Overdraft
General Fund:			
Financial – Personnel	\$203,059.03	\$203,063.63	\$4.60
2012 Sales Tax Fund:			
Debt Service	\$7,014,000.00	\$7,033,233.79	\$19,233.79
Consolidated Construction Fund:			
Other Expenditures	\$5,000.00	\$8,691.83	\$3,691.83
Transfers Out	\$200,000.00	\$1,555,261.05	\$1,355,261.05
Utility Facilities Fund:			
Other Expenditures	\$2,500.00	\$7,428.13	\$4,928.13

**CITY OF RAPID CITY
SCHEDULE OF FUNDING PROGRESS
FOR RETIREE HEALTH INSURANCE COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2008**

Schedule of Funding Progress for the Retiree Health Insurance Coverage

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$ -	\$ 12,867,931.00	\$ 12,867,931.00	0.0%	\$ 31,138,695.09	41.3%

**OTHER
SUPPLEMENTARY
INFORMATION**

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	TID 33 Fund	Occupancy Tax Fund	Repair and Demolition Fund	TID 61 Fund	TID 59 Fund	TID 29 Fund	TID 55 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 1,063.44	\$ 67,204.84	\$ 93,357.14	\$ 12,114.04	\$ 1,212.74	\$ 2,435.76	\$ 580,854.37
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	410.44	-	-	-	-	-	5,824.78
115 Accounts Receivable, Net	-	61,899.69	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	26,294.91	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	13,855.78	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	13,653.00	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	1.67	110.04	146.89	19.06	1.91	3.84	915.68
TOTAL ASSETS	\$ 1,475.55	\$ 129,214.57	\$ 147,307.72	\$ 12,133.10	\$ 1,214.65	\$ 2,439.60	\$ 587,594.83
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	-	110,777.72	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	-	-	-	-	-	-
215 Accrued Interest Payable	-	-	-	-	-	-	-
2xx Wages Payable	-	625.23	-	-	-	-	-
224 Deferred Revenue	-	-	53,803.69	-	-	-	3,092.32
Total Liabilities	-	111,402.95	53,803.69	-	-	-	3,092.32
Fund Balances:							
261 Reserved For:							
261.16 TIDS - Debt Service	1,475.55	-	-	12,133.10	1,214.65	2,439.60	584,502.51
261.16 Business Improvement District	-	17,811.62	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	93,504.03	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-
Total Fund Balances	1,475.55	17,811.62	93,504.03	12,133.10	1,214.65	2,439.60	584,502.51
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,475.55	\$ 129,214.57	\$ 147,307.72	\$ 12,133.10	\$ 1,214.65	\$ 2,439.60	\$ 587,594.83

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	TID 56 Fund	TID 54 Fund	TID 44 Fund	TID 46 Fund	TID 48 Fund	TID 19 Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 13,027.30	\$ 2,222.44	\$ 312,454.32	\$ 99,722.39	\$ 53.49	\$ 1,925.64
102 Restricted Cash	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-
110 Property Tax Receivable	252.70	15,861.40	83.38	9,297.69	-	32,095.85
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	20.50	5.45	491.63	154.76	0.08	29.33
TOTAL ASSETS	\$ 13,300.50	\$ 18,089.29	\$ 313,029.33	\$ 109,174.84	\$ 53.57	\$ 34,050.82
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	-	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	1,896,000.00	-	-	-	-	-
215 Accrued Interest Payable	-	-	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-
224 Deferred Revenue	-	11,649.99	-	191.12	-	-
Total Liabilities	1,896,000.00	11,649.99	-	191.12	-	-
Fund Balances:						
261 Reserved For:						
261.16 TIDS - Debt Service	-	6,439.30	313,029.33	108,983.72	53.57	34,050.82
261.16 Business Improvement District	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-
262 Unreserved Fund Balances:						
262.09 Undesignated, Reported in:						
Special Revenue Funds	-	-	-	-	-	-
Debt Service Funds	(1,882,699.50)	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-
Total Fund Balances	(1,882,699.50)	6,439.30	313,029.33	108,983.72	53.57	34,050.82
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,300.50	\$ 18,089.29	\$ 313,029.33	\$ 109,174.84	\$ 53.57	\$ 34,050.82

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	TID 50 Fund	TID 49 Fund	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund	TID 36 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 18,237.31	\$ 24,376.96	\$ 21,995.20	\$ 1,286.44	\$ 2,497.88	\$ 12,066.00	\$ 250,954.59
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	264.79	-	-	1,997.50	-	-	37,075.92
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	28.77	38.71	34.61	1.54	3.35	18.98	418.80
TOTAL ASSETS	\$ 18,530.87	\$ 24,415.67	\$ 22,029.81	\$ 3,285.48	\$ 2,501.23	\$ 12,084.98	\$ 288,449.31
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	-	-	-	-	-	-	-
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	188,856.00	-	-	-	-	-
215 Accrued Interest Payable	-	-	-	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	-	-	-	-	-	-	7,085.32
Total Liabilities	-	188,856.00	-	-	-	-	7,085.32
Fund Balances:							
261 Reserved For:							
261.16 TIDS - Debt Service	18,530.87	-	22,029.81	3,285.48	2,501.23	12,084.98	281,363.99
261.16 Business Improvement District	-	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-	-
262 Unreserved Fund Balances:							
262.09 Undesignated, Reported in:							
Special Revenue Funds	-	-	-	-	-	-	-
Debt Service Funds	-	(164,440.33)	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-	-
Total Fund Balances	18,530.87	(164,440.33)	22,029.81	3,285.48	2,501.23	12,084.98	281,363.99
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,530.87	\$ 24,415.67	\$ 22,029.81	\$ 3,285.48	\$ 2,501.23	\$ 12,084.98	\$ 288,449.31

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	TID 38 Fund	TID 39 Fund	TID 40 Fund	TID 41 Fund	TID 42 Fund	TID 43 Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ 66,412.37	\$ 2,576.92	\$ 6,367.76	\$ 65,499.16	\$ 558,486.77	\$ 1,166,927.70
102 Restricted Cash	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-
110 Property Tax Receivable	27,968.32	-	-	7,250.51	27,880.94	32,222.81
115 Accounts Receivable, Net	745.31	2,454.75	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-
135 Interest Receivable	119.83	4.06	5.56	334.25	896.62	1,776.67
TOTAL ASSETS	\$ 95,245.83	\$ 5,035.73	\$ 6,373.32	\$ 73,083.92	\$ 587,264.33	\$ 1,200,927.18
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	-	-	-	-	-	145,996.07
208 Due to Other Funds (see Note 5)	-	-	-	181,310.32	-	-
209 Advance from Other Funds (see Note 5)	100,000.00	1,191,144.00	-	612,648.65	350,000.00	-
215 Accrued Interest Payable	-	-	-	-	-	-
2xx Wages Payable	-	-	-	-	-	-
224 Deferred Revenue	225.68	-	-	539.73	4,678.66	-
Total Liabilities	100,225.68	1,191,144.00	-	794,498.70	354,678.66	145,996.07
Fund Balances:						
261 Reserved For:						
261.16 TIDS - Debt Service	-	-	6,373.32	-	232,585.67	1,054,931.11
261.16 Business Improvement District	-	-	-	-	-	-
261.16 RSVP	-	-	-	-	-	-
262 Unreserved Fund Balances:						
262.09 Undesignated, Reported in:						
Special Revenue Funds	-	-	-	-	-	-
Debt Service Funds	(4,979.85)	(1,186,108.27)	-	(721,414.78)	-	-
Permanent Funds	-	-	-	-	-	-
Total Fund Balances	(4,979.85)	(1,186,108.27)	6,373.32	(721,414.78)	232,585.67	1,054,931.11
TOTAL LIABILITIES AND FUND BALANCES	\$ 95,245.83	\$ 5,035.73	\$ 6,373.32	\$ 73,083.92	\$ 587,264.33	\$ 1,200,927.18

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	Retired Senior Volunteer Fund	Community Development Fund	Education Loan Fund	Rehabilitation Loan/Grant Fund	TID 35 Fund	Library Board Fund
ASSETS:						
101 Cash and Cash Equivalents	\$ -	\$ 552.43	\$ 5,298.95	\$ 60,434.29	\$ 9,937.50	\$ 141,904.83
102 Restricted Cash	4,577.04	-	-	-	-	-
151 Investments	-	-	-	-	-	-
110 Property Tax Receivable	-	-	-	-	-	-
115 Accounts Receivable, Net	-	-	7,932.52	-	261.76	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-
132 Due from Other Government	2,682.95	-	-	-	-	126.00
135 Interest Receivable	-	-	-	-	8.14	-
TOTAL ASSETS	\$ 7,259.99	\$ 552.43	\$ 13,231.47	\$ 60,434.29	\$ 10,207.40	\$ 142,030.83
LIABILITIES AND FUND BALANCES:						
Liabilities:						
201 Claims Payable	314.88	49,853.33	1,317.30	-	-	7,722.07
208 Due to Other Funds (see Note 5)	-	-	-	-	-	-
209 Advance from Other Funds (see Note 5)	-	-	-	-	-	-
215 Accrued Interest Payable	-	-	-	-	-	-
2xx Wages Payable	2,828.16	3,093.20	-	-	-	-
224 Deferred Revenue	-	-	-	-	-	-
Total Liabilities	3,143.04	52,946.53	1,317.30	-	-	7,722.07
Fund Balances:						
261 Reserved For:						
261.16 TIDS - Debt Service	-	-	-	-	10,207.40	-
261.16 Business Improvement District	-	-	-	-	-	-
261.16 RSVP	4,116.95	-	-	-	-	-
262 Unreserved Fund Balances:						
262.09 Undesignated, Reported in:						
Special Revenue Funds	-	(52,394.10)	11,914.17	60,434.29	-	134,308.76
Debt Service Funds	-	-	-	-	-	-
Permanent Funds	-	-	-	-	-	-
Total Fund Balances	4,116.95	(52,394.10)	11,914.17	60,434.29	10,207.40	134,308.76
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,259.99	\$ 552.43	\$ 13,231.47	\$ 60,434.29	\$ 10,207.40	\$ 142,030.83

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
ASSETS:		
101 Cash and Cash Equivalents	\$ 20,126.71	\$ 3,623,587.68
102 Restricted Cash	-	4,577.04
151 Investments	47,944.18	47,944.18
110 Property Tax Receivable	-	198,487.03
115 Accounts Receivable, Net	366.67	73,660.70
121 Special Assessments Receivable--Current	-	26,294.91
122 Special Assessments Receivable--Delinquent	-	13,855.78
123 Special Assessments Receivable--Deferred	-	13,653.00
132 Due from Other Government	-	2,808.95
135 Interest Receivable	-	5,590.73
TOTAL ASSETS	\$ 68,437.56	\$ 4,010,460.00
LIABILITIES AND FUND BALANCES:		
Liabilities:		
201 Claims Payable	-	315,981.37
208 Due to Other Funds (see Note 5)	-	181,310.32
209 Advance from Other Funds (see Note 5)	-	4,338,648.65
215 Accrued Interest Payable	-	-
2xx Wages Payable	-	6,546.59
224 Deferred Revenue	-	81,266.51
Total Liabilities	-	4,923,753.44
Fund Balances:		
261 Reserved For:		
261.16 TIDS - Debt Service	-	2,708,216.01
261.16 Business Improvement District	-	17,811.62
261.16 RSVP	-	4,116.95
262 Unreserved Fund Balances:		
262.09 Undesignated, Reported in:		
Special Revenue Funds	-	247,767.15
Debt Service Funds	-	(3,959,642.73)
Permanent Funds	68,437.56	68,437.56
Total Fund Balances	68,437.56	(913,293.44)
TOTAL LIABILITIES AND FUND BALANCES	\$ 68,437.56	\$ 4,010,460.00

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	TID 33 Fund	Occupancy Tax Fund	Repair and Demolition Fund	TID 61 Fund	TID 59 Fund	TID 29 Fund	TID 55 Fund
Revenues:							
310 Taxes:							
311 General Property Taxes	\$ 59,007.76	\$ -	\$ -	\$ 11,918.87	\$ 1,198.98	\$ -	\$ 354,780.81
314 Occupancy Tax	-	1,186,470.77	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-
340 Charges for Goods and Services:							
341 General Government	-	-	-	-	-	-	-
342 Public Safety	-	-	1,028.00	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-
350 Fines and Forfeitures							
354 Library	-	-	-	-	-	-	-
360 Miscellaneous Revenue:							
361 Investment Earnings	555.03	3,673.68	2,985.86	214.23	15.67	82.77	11,614.64
363 Special Assessments	-	-	22,738.35	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-
Total Revenue	59,562.79	1,190,144.45	26,752.21	12,133.10	1,214.65	82.77	366,395.45
Expenditures:							
420 Public Safety:							
421 Police	-	-	5,833.00	-	-	-	-
450 Culture and Recreation:							
455 Libraries	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
460 Conservation and Development:							
463 Community Development	-	-	-	-	-	-	-
470 Debt Service	59,007.76	-	-	-	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-
490 Miscellaneous							
492 Other Expenditures	-	1,183,364.09	-	-	-	-	-
Total Expenditures	59,007.76	1,183,364.09	5,833.00	-	-	-	-
Excess of Revenue Over (Under)							
Expenditures	555.03	6,780.36	20,919.21	12,133.10	1,214.65	82.77	366,395.45
Other Financing Sources (Uses):							
391.01 Transfers In	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	-	-
511 Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	555.03	6,780.36	20,919.21	12,133.10	1,214.65	82.77	366,395.45
Fund Balance - Beginning	920.52	11,031.26	72,584.82	-	-	2,356.83	218,107.06
FUND BALANCE- ENDING	\$ 1,475.55	\$ 17,811.62	\$ 93,504.03	\$ 12,133.10	\$ 1,214.65	\$ 2,439.60	\$ 584,502.51

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	TID 56 Fund	TID 54 Fund	TID 44 Fund	TID 46 Fund	TID 48 Fund	TID 19 Fund	TID 50 Fund
Revenues:							
310 Taxes:							
311 General Property Taxes	\$ 12,575.22	\$ 108,913.97	\$ 142,729.08	\$ 342,805.69	\$ 7,220.74	\$ 265,137.39	\$ 7,868.14
314 Occupancy Tax	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-
340 Charges for Goods and Services:							
341 General Government	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-
350 Fines and Forfeitures							
354 Library	-	-	-	-	-	-	-
360 Miscellaneous Revenue:							
361 Investment Earnings	251.05	512.55	7,897.01	4,034.42	19.89	838.75	475.97
363 Special Assessments	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-
Total Revenue	<u>12,826.27</u>	<u>109,426.52</u>	<u>150,626.09</u>	<u>346,840.11</u>	<u>7,240.63</u>	<u>265,976.14</u>	<u>8,344.11</u>
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	-	172,935.09	-	332,913.29	7,220.74	244,200.51	-
485 Capital Outlay	-	-	-	-	-	-	-
490 Miscellaneous							
492 Other Expenditures	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>172,935.09</u>	<u>-</u>	<u>332,913.29</u>	<u>7,220.74</u>	<u>244,200.51</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	12,826.27	(63,508.57)	150,626.09	13,926.82	19.89	21,775.63	8,344.11
Other Financing Sources (Uses):							
391.01 Transfers In	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	165,483.74	-	-	-	-	-
511 Transfers Out	-	(127,219.78)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>38,263.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,826.27	(25,244.61)	150,626.09	13,926.82	19.89	21,775.63	8,344.11
Fund Balance - Beginning	(1,895,525.77)	31,683.91	162,403.24	95,056.90	33.68	12,275.19	10,186.76
FUND BALANCE- ENDING	<u>\$ (1,882,699.50)</u>	<u>\$ 6,439.30</u>	<u>\$ 313,029.33</u>	<u>\$ 108,983.72</u>	<u>\$ 53.57</u>	<u>\$ 34,050.82</u>	<u>\$ 18,530.87</u>

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	TID 49 Fund	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund	TID 36 Fund	TID 38 Fund
Revenues:							
310 Taxes:							
311 General Property Taxes	\$ 20.08	\$ 21,303.22	\$ 44,267.99	\$ 38,436.90	\$ -	\$ 563,915.73	\$ 284,757.53
314 Occupancy Tax	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-
340 Charges for Goods and Services:							
341 General Government	-	-	-	-	-	-	-
342 Public Safety	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-
350 Fines and Forfeitures							
354 Library	-	-	-	-	-	-	-
360 Miscellaneous Revenue:							
361 Investment Earnings	827.65	307.55	130.63	156.08	409.20	3,418.27	1,327.49
363 Special Assessments	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-
Total Revenue	<u>847.73</u>	<u>21,610.77</u>	<u>44,398.62</u>	<u>38,592.98</u>	<u>409.20</u>	<u>567,334.00</u>	<u>286,085.02</u>
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	-	-	49,022.35	37,696.94	-	315,380.88	203,708.91
485 Capital Outlay	-	-	-	-	-	-	-
490 Miscellaneous							
492 Other Expenditures	-	-	-	-	-	-	17,417.76
Total Expenditures	<u>-</u>	<u>-</u>	<u>49,022.35</u>	<u>37,696.94</u>	<u>-</u>	<u>315,380.88</u>	<u>221,126.67</u>
Excess of Revenue Over (Under) Expenditures	847.73	21,610.77	(4,623.73)	896.04	409.20	251,953.12	64,958.35
Other Financing Sources (Uses):							
391.01 Transfers In	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	-	-
511 Transfers Out	(188,856.00)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(188,856.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(188,008.27)	21,610.77	(4,623.73)	896.04	409.20	251,953.12	64,958.35
Fund Balance - Beginning	23,567.94	419.04	7,909.21	1,605.19	11,675.78	29,410.87	(69,938.20)
FUND BALANCE- ENDING	<u>\$ (164,440.33)</u>	<u>\$ 22,029.81</u>	<u>\$ 3,285.48</u>	<u>\$ 2,501.23</u>	<u>\$ 12,084.98</u>	<u>\$ 281,363.99</u>	<u>\$ (4,979.85)</u>

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	TID 39 Fund	TID 40 Fund	TID 41 Fund	TID 42 Fund	TID 43 Fund	Retired Senior Volunteer Fund	Community Development Fund
Revenues:							
310 Taxes:							
311 General Property Taxes	\$ 2,502.86	\$ 77,311.08	\$ 407,000.67	\$ 338,203.35	\$ 863,734.77	\$ -	\$ -
314 Occupancy Tax	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	57,895.53	496,921.30
340 Charges for Goods and Services:							
341 General Government	-	-	-	-	-	-	1,250.00
342 Public Safety	-	-	-	-	-	-	-
346 Culture and Recreation	-	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	8,748.63
350 Fines and Forfeitures							
354 Library	-	-	-	-	-	-	-
360 Miscellaneous Revenue:							
361 Investment Earnings	35.79	250.10	5,842.59	12,774.92	28,457.91	-	-
363 Special Assessments	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	40,651.05	-
Total Revenue	<u>2,538.65</u>	<u>77,561.18</u>	<u>412,843.26</u>	<u>350,978.27</u>	<u>892,192.68</u>	<u>98,546.58</u>	<u>506,919.93</u>
Expenditures:							
420 Public Safety:							
421 Police	-	-	-	-	-	-	-
450 Culture and Recreation:							
455 Libraries	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	102,389.04	-
Cemetery	-	-	-	-	-	-	-
460 Conservation and Development:							
463 Community Development	-	-	-	-	-	-	521,408.50
470 Debt Service	-	77,450.17	287,570.13	-	68,829.21	-	-
485 Capital Outlay	-	-	1,918,530.06	-	493,965.91	-	-
490 Miscellaneous							
492 Other Expenditures	1,251.43	-	-	-	37,155.63	-	-
Total Expenditures	<u>1,251.43</u>	<u>77,450.17</u>	<u>2,206,100.19</u>	<u>-</u>	<u>599,950.75</u>	<u>102,389.04</u>	<u>521,408.50</u>
Excess of Revenue Over (Under) Expenditures	1,287.22	111.01	(1,793,256.93)	350,978.27	292,241.93	(3,842.46)	(14,488.57)
Other Financing Sources (Uses):							
391.01 Transfers In	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	2,048,530.06	-	2,310,096.00	-	-
511 Transfers Out	(1,191,144.00)	-	(130,000.00)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,191,144.00)</u>	<u>-</u>	<u>1,918,530.06</u>	<u>-</u>	<u>2,310,096.00</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,189,856.78)	111.01	125,273.13	350,978.27	2,602,337.93	(3,842.46)	(14,488.57)
Fund Balance - Beginning	3,748.51	6,262.31	(846,687.91)	(118,392.60)	(1,547,406.82)	7,959.41	(37,905.53)
FUND BALANCE- ENDING	<u>\$ (1,186,108.27)</u>	<u>\$ 6,373.32</u>	<u>\$ (721,414.78)</u>	<u>\$ 232,585.67</u>	<u>\$ 1,054,931.11</u>	<u>\$ 4,116.95</u>	<u>\$ (52,394.10)</u>

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Education Loan Fund	Rehabilitation Loan/Grant Fund	TID 35 Fund	Library Board Fund	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes	\$ -	\$ -	\$ 40,382.28	\$ -	\$ -	\$ 3,995,993.11
314 Occupancy Tax	-	-	-	-	-	1,186,470.77
331 Federal Grants	-	-	-	-	-	554,816.83
340 Charges for Goods and Services:						
341 General Government	21,443.32	298.30	-	-	-	22,991.62
342 Public Safety	-	-	-	-	-	1,028.00
346 Culture and Recreation	-	-	-	-	-	-
348 Cemetery	-	-	-	-	2,763.86	2,763.86
349 Other-Conservation & Development	-	66,978.03	-	-	-	75,726.66
350 Fines and Forfeitures						
354 Library	-	-	-	102,273.38	-	102,273.38
360 Miscellaneous Revenue:						
361 Investment Earnings	-	5.69	169.70	-	1,247.76	88,532.85
363 Special Assessments	-	-	-	-	-	22,738.35
367 Contributions and Donations	-	-	-	-	-	40,651.05
Total Revenue	21,443.32	67,282.02	40,551.98	102,273.38	4,011.62	6,093,986.48
Expenditures:						
420 Public Safety:						
421 Police	-	-	-	-	-	5,833.00
450 Culture and Recreation:						
455 Libraries	-	-	-	38,734.80	-	38,734.80
Retired Senior Volunteers	-	-	-	-	-	102,389.04
Cemetery	-	-	-	-	204.00	204.00
460 Conservation and Development:						
463 Community Development	-	65,791.65	-	-	-	587,200.15
470 Debt Service	-	-	30,852.10	-	-	1,886,788.08
485 Capital Outlay	-	-	-	-	-	2,412,495.97
490 Miscellaneous						
492 Other Expenditures	20,652.65	-	-	-	-	1,259,841.56
Total Expenditures	20,652.65	65,791.65	30,852.10	38,734.80	204.00	6,293,486.60
Excess of Revenue Over (Under)						
Expenditures	790.67	1,490.37	9,699.88	63,538.58	3,807.62	(199,500.12)
Other Financing Sources (Uses):						
391.01 Transfers In	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	4,524,109.80
511 Transfers Out	-	-	-	-	(8,942.35)	(1,646,162.13)
Total Other Financing Sources (Uses)	-	-	-	-	(8,942.35)	2,877,947.67
Net Change in Fund Balances	790.67	1,490.37	9,699.88	63,538.58	(5,134.73)	2,678,447.55
Fund Balance - Beginning	11,123.50	58,943.92	507.52	70,770.18	73,572.29	(3,591,740.99)
FUND BALANCE- ENDING	\$ 11,914.17	\$ 60,434.29	\$ 10,207.40	\$ 134,308.76	\$ 68,437.56	\$ (913,293.44)

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**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUND
DECEMBER 31, 2008**

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
ASSETS:				
Current Assets:				
101 Cash and Cash Equivalents	\$ 568,053.30	\$ 1,823,540.77	\$ 30,978.58	\$ 39,479.19
106 Cash with Fiscal Agent	-	-	-	-
107 Restricted Cash	-	1,203,097.30	-	-
151 Investments	-	3,300,114.20	-	22,685.67
115 Accounts Receivable	210,473.49	574,382.37	-	20,569.29
116 Estimated Uncollectable Accounts Receivable	(12,000.00)	(21,573.40)	-	-
131 Due from Other Funds	-	37,935.04	-	-
132 Due from Other Governments	-	2,813.75	-	-
135 Interest Receivable	-	13,471.62	36.75	266.61
155 Prepaid Expenses	-	-	-	-
Total Current Assets	<u>766,526.79</u>	<u>6,933,781.65</u>	<u>31,015.33</u>	<u>83,000.76</u>
Noncurrent Assets:				
Capital Assets:				
160 Land	138,430.38	1,956,982.84	596,356.14	24,151.00
162 Buildings	-	417,873.33	148,612.45	22,954.01
164 Improvements Other than Bldg	702,556.36	573,031.32	1,128,679.93	550,879.01
164 Furniture & Equipment	-	23,656.04	6,791.00	7,408.00
166 Machinery and Equipment	1,957,402.82	2,955,060.50	77,067.00	233,436.26
168 Construction Work in Progress	-	-	-	-
Less: Accumulated Depreciation	<u>(1,620,466.27)</u>	<u>(2,012,765.38)</u>	<u>(741,492.94)</u>	<u>(446,726.09)</u>
Total Noncurrent Assets	<u>1,177,923.29</u>	<u>3,913,838.65</u>	<u>1,216,013.58</u>	<u>392,102.19</u>
TOTAL ASSETS	<u>\$ 1,944,450.08</u>	<u>\$ 10,847,620.30</u>	<u>\$ 1,247,028.91</u>	<u>\$ 475,102.95</u>
LIABILITIES:				
Current Liabilities:				
202 Accounts Payable	\$ 30,593.51	\$ 99,285.14	\$ 1,014.34	\$ 1,585.20
208 Due to Other Funds	67,248.48	-	-	-
215 Accrued Interest Payable	-	3,114.14	-	-
2xx Wages Payable	20,909.67	11,410.94	2,937.69	2,909.61
226 OPEB Current Obligations	4,412.52	2,840.35	740.70	949.81
226 Bonds Payable Current:	-	104,813.04	-	-
226 Capital Lease Payable Current	-	73,476.50	-	-
230 Compensated Absences Payable -- Current	3,500.00	-	-	-
Total Current Liabilities	<u>126,664.18</u>	<u>294,940.11</u>	<u>4,692.73</u>	<u>5,444.62</u>
Noncurrent Liabilities:				
209 Advance from Other Funds	-	-	-	-
231 OPEB Long-Term Obligations	8,211.94	5,286.05	1,378.49	1,767.65
231 Bonds Payable:	-	26,861.88	-	-
231 Capital Lease Payable	-	-	-	-
233 Accrued Leave Payable	34,334.42	11,985.87	2,749.10	7,419.43
235 Accrued Landfill Closure and Postclosure	-	1,203,097.30	-	-
Total Noncurrent Liabilities	<u>42,546.36</u>	<u>1,247,231.10</u>	<u>4,127.59</u>	<u>9,187.08</u>
NET ASSETS:				
253.10 Invested in Capital Assets, Net of Related Debt	1,177,923.29	3,708,687.23	1,216,013.58	392,102.19
253.20 Restricted Net Assets, Restricted for:				
253.22 Revenue Bond Retirement	-	-	-	-
253.27 Landfill Closure and Post Closure Costs	-	-	-	-
253.90 Unrestricted Net Assets	597,316.25	5,596,761.86	22,195.01	68,369.06
Total Net Assets	<u>1,775,239.54</u>	<u>9,305,449.09</u>	<u>1,238,208.59</u>	<u>460,471.25</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,944,450.08</u>	<u>\$ 10,847,620.30</u>	<u>\$ 1,247,028.91</u>	<u>\$ 475,102.95</u>

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 141,099.69	\$ -	\$ -	\$ 1,138,276.50	\$ 96,467.45	\$ 3,837,895.48
-	2,464,343.38	-	-	-	2,464,343.38
-	-	-	-	-	1,203,097.30
-	813,747.93	-	-	-	4,136,547.80
2,811.66	166,988.76	105,284.21	5,186,449.33	204.25	6,267,163.36
-	(84,694.25)	-	(3,688,950.30)	-	(3,807,217.95)
-	-	-	-	-	37,935.04
-	-	-	-	-	2,813.75
216.07	3,003.33	-	1,870.23	192.61	19,057.22
-	45,858.75	-	-	-	45,858.75
144,127.42	3,409,247.90	105,284.21	2,637,645.76	96,864.31	14,207,494.13
1,424,241.50	2,212,498.99	-	-	267,567.00	6,620,227.85
1,505,898.57	2,079,328.56	776,570.53	30,659.04	916,934.11	5,898,830.60
1,568,061.18	487,832.95	-	-	7,439.00	5,018,479.75
5,890.00	-	42,283.01	-	-	86,028.05
696,114.74	16,025.00	54,216.05	1,058,348.75	-	7,047,671.12
-	2,603,888.21	-	-	-	2,603,888.21
(1,522,657.11)	(833,056.34)	(462,268.62)	(670,681.48)	(425,111.48)	(8,735,225.71)
3,677,548.88	6,566,517.37	410,800.97	418,326.31	766,828.63	18,539,899.87
\$ 3,821,676.30	\$ 9,975,765.27	\$ 516,085.18	\$ 3,055,972.07	\$ 863,692.94	\$ 32,747,394.00
\$ 8,953.85	\$ 232,609.01	\$ 49,322.27	\$ 37,059.69	\$ 2,488.95	\$ 462,911.96
22,336.26	2,247,920.21	183,334.66	46,664.18	-	2,567,503.79
518.75	5,439.88	-	5,397.74	-	14,470.51
6,134.60	4,394.69	12,013.04	28,928.26	-	89,638.50
1,459.59	1,139.80	2,398.57	12,158.58	-	26,099.92
-	29,407.37	-	-	-	134,220.41
7,071.38	-	-	198,353.35	-	278,901.23
-	-	3,500.00	-	-	7,000.00
46,474.43	2,520,910.96	250,568.54	328,561.80	2,488.95	3,580,746.32
103,575.30	-	-	207,880.49	-	311,455.79
2,716.37	2,121.22	4,463.87	22,627.79	-	48,573.38
-	2,423,739.94	-	-	-	2,450,601.82
119,158.93	-	-	-	-	119,158.93
18,584.70	8,094.81	49,063.36	76,566.38	-	208,798.07
-	-	-	-	-	1,203,097.30
244,035.30	2,433,955.97	53,527.23	307,074.66	-	4,341,685.29
3,551,318.57	4,113,370.06	410,800.97	219,972.96	766,828.63	15,557,017.48
-	2,464,343.38	-	-	-	2,464,343.38
-	-	-	-	-	-
(20,152.00)	(1,556,815.10)	(198,811.56)	2,200,362.65	94,375.36	6,803,601.53
3,531,166.57	5,020,898.34	211,989.41	2,420,335.61	861,203.99	24,824,962.39
\$ 3,821,676.30	\$ 9,975,765.27	\$ 516,085.18	\$ 3,055,972.07	\$ 863,692.94	\$ 32,747,394.00

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2008

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
Operating Revenue:				
380 Charges for Goods and Services	\$ 2,195,862.86	\$ 2,325,371.48	\$ 149,256.95	\$ 156,502.06
381 Revenues used as Security for Revenue Bonds	-	-	-	-
Total Operating Revenue	2,195,862.86	2,325,371.48	149,256.95	156,502.06
Operating Expenses:				
410 Personal Services	750,041.76	426,653.84	129,992.17	152,104.78
420 Other Current Expense	572,231.27	1,191,977.14	49,798.32	55,113.95
426.2 Materials (Cost of Goods Sold)	-	-	-	-
457 Depreciation	237,313.68	180,677.40	18,862.45	34,003.73
Total Operating Expenses	1,559,586.71	1,799,308.38	198,652.94	241,222.46
Operating Income (Loss)	636,276.15	526,063.10	(49,395.99)	(84,720.40)
Nonoperating Revenue (Expense):				
361 Investment Earnings	2,863.84	383,687.56	683.12	6,871.99
470 Interest Expense and Fiscal Charges	(4,627.80)	(16,125.96)	-	-
(492)366 Gain (Loss) on Disposition of Capital Assets	(3,267.75)	(30,605.67)	-	-
369.01 Other	-	59,422.88	-	-
Total Nonoperating Revenue (Expense)	(5,031.71)	396,378.81	683.12	6,871.99
Income (Loss) Before Transfers	631,244.44	922,441.91	(48,712.87)	(77,848.41)
369.1 Contributions (to) from Others	-	(15,731.10)	-	-
391.1 Transfers In	-	-	46,000.00	68,787.35
511 Transfers Out	(2,439.00)	(10,803.00)	-	(748.00)
Net Contributions and Transfers	(2,439.00)	(26,534.10)	46,000.00	68,039.35
Change in Net Assets	628,805.44	895,907.81	(2,712.87)	(9,809.06)
Net Assets - Beginning	1,146,434.10	8,409,541.28	1,240,921.46	470,280.31
NET ASSETS - ENDING	\$ 1,775,239.54	\$ 9,305,449.09	\$ 1,238,208.59	\$ 460,471.25

Enterprise Funds

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 1,078,770.52	\$ -	\$ 288,591.57	\$ 3,007,531.82	\$ 35,093.42	\$ 9,236,980.68
-	627,200.79	-	-	-	627,200.79
1,078,770.52	627,200.79	288,591.57	3,007,531.82	35,093.42	9,864,181.47
314,328.15	156,344.15	388,643.13	1,941,633.49	-	4,259,741.47
602,623.18	270,121.22	(61,925.37)	521,282.97	67,417.12	3,268,639.80
-	-	-	-	-	-
69,313.62	39,954.07	13,976.09	135,685.74	16,438.29	746,225.07
986,264.95	466,419.44	340,693.85	2,598,602.20	83,855.41	8,274,606.34
92,505.57	160,781.35	(52,102.28)	408,929.62	(48,761.99)	1,589,575.13
6,014.66	80,217.06	-	42,226.57	3,802.26	526,367.06
(22,312.84)	(87,156.20)	-	(38,253.81)	-	(168,476.61)
(3,325.30)	-	-	-	-	(37,198.72)
(19,623.48)	(6,939.14)	-	3,972.76	3,802.26	59,422.88
72,882.09	153,842.21	(52,102.28)	412,902.38	(44,959.73)	380,114.61
3,616.00	-	17,479.00	-	-	1,969,689.74
71,706.80	638,000.00	-	-	47,694.00	5,363.90
(94,486.00)	(17,673.00)	(2,967.00)	-	(4,389.00)	872,188.15
(19,163.20)	620,327.00	14,512.00	-	43,305.00	(133,505.00)
53,718.89	774,169.21	(37,590.28)	412,902.38	(1,654.73)	744,047.05
3,477,447.68	4,246,729.13	249,579.69	2,007,433.23	862,858.72	2,713,736.79
\$ 3,531,166.57	\$ 5,020,898.34	\$ 211,989.41	\$ 2,420,335.61	\$ 861,203.99	\$ 24,824,962.39

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2008

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customers	\$ 2,145,881.37	\$ 2,130,343.76	\$ 149,256.95	\$ 154,411.77
Receipt from Interfund Services Provided	-	66,679.00	-	-
Payments to Suppliers	(703,660.76)	(1,127,920.70)	(51,082.98)	(55,801.75)
Payments to Employees	(739,178.21)	(420,753.63)	(127,954.19)	(149,366.28)
Internal Activity - Payment to Other Funds	(95,002.00)	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>608,040.40</u>	<u>648,348.43</u>	<u>(29,780.22)</u>	<u>(50,756.26)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Subsidies	-	-	-	-
Transfers In	-	-	46,000.00	68,787.35
Transfers Out	(2,439.00)	(10,803.00)	-	(748.00)
Net Cash Provided (Used) by Operating Subsidies and Transfers	<u>(2,439.00)</u>	<u>(10,803.00)</u>	<u>46,000.00</u>	<u>68,039.35</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(35,785.00)	(613,953.19)	-	(9,884.00)
Principal Paid on Capital Debt	-	(171,353.58)	-	-
Proceeds of Capital Debt Issued	-	-	-	-
Interest Paid on Capital Debt	(4,627.80)	(13,011.82)	-	-
Proceeds from Sale of Assets	-	-	-	-
Other Receipts (Payments)	-	59,422.88	-	-
Net Cash (Used) by capital and related financing Activities	<u>(40,412.80)</u>	<u>(738,895.71)</u>	<u>-</u>	<u>(9,884.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	2,864.70	202,642.47	646.37	3,598.10
Deposits with Cash with Fiscal Agent	-	-	-	-
Withdrawals from Cash with Fiscal Agent	-	-	-	-
Net Cash Provided by Investing Activities	<u>2,864.70</u>	<u>202,642.47</u>	<u>646.37</u>	<u>3,598.10</u>
Net Increase (Decrease) in Cash and Cash Equivalents	568,053.30	101,292.19	16,866.15	10,997.19
Balances - Beginning	-	2,925,345.88	14,112.43	28,482.00
Balances- Ending	<u>\$ 568,053.30</u>	<u>\$ 3,026,638.07</u>	<u>\$ 30,978.58</u>	<u>\$ 39,479.19</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 636,276.15	\$ 526,063.10	\$ (49,395.99)	\$ (84,720.40)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	237,313.68	180,677.40	18,862.45	34,003.73
Landfill Closure and Postclosure Costs	-	40,685.30	-	-
Change in Assets and Liabilities:				
Receivables	(49,981.49)	(195,027.72)	-	(2,090.29)
Prepaid Expenses	-	-	-	-
Due to Other Funds	(95,002.00)	66,679.00	-	-
Accounts and Other Payables	(131,429.49)	23,371.14	(1,284.66)	(687.80)
Accrued Wages Payable	(1,232.33)	(1,349.06)	(88.31)	(1,087.39)
Accrued Leave Payable	(528.58)	(877.13)	7.10	1,108.43
Accrued Other Post Employment Benefits	12,624.46	8,126.40	2,119.19	2,717.46
Net Cash Provided (Used) by Operating Activities	<u>\$ 608,040.40</u>	<u>\$ 648,348.43</u>	<u>\$ (29,780.22)</u>	<u>\$ (50,756.26)</u>
Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (3,267.75)	\$ (30,605.67)	\$ -	\$ -
Transfer/Contribution of Assets	\$ -	\$ (15,731.10)	\$ -	\$ -

Enterprise Funds						
Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals	
\$ 1,080,465.86	\$ 545,181.28	\$ 234,241.36	\$ 2,632,908.79	\$ 34,909.17	\$ 9,107,600.31	
-	2,247,920.21	183,334.66	-	-	2,497,933.87	
(604,162.33)	(85,376.96)	57,969.64	(546,686.28)	(69,002.17)	(3,185,724.29)	
(306,123.89)	(154,413.63)	(351,238.29)	(1,824,694.48)	-	(4,073,722.60)	
(21,072.44)	-	-	(44,548.33)	-	(160,622.77)	
149,107.20	2,553,310.90	124,307.37	216,979.70	(34,093.00)	4,185,464.52	
-	-	-	-	-	-	
71,706.80	638,000.00	-	-	47,694.00	872,188.15	
(94,486.00)	(17,673.00)	(2,967.00)	-	(4,389.00)	(133,505.00)	
(22,779.20)	620,327.00	(2,967.00)	-	43,305.00	738,683.15	
(38,631.80)	(2,603,888.21)	-	(10,710.85)	-	(3,312,853.05)	
(6,401.69)	(1,266,852.69)	-	(189,266.65)	-	(1,633,874.61)	
-	2,465,000.00	-	-	-	2,465,000.00	
(21,794.09)	(81,716.32)	-	(32,856.07)	-	(154,006.10)	
-	-	-	-	-	-	
-	-	-	-	-	59,422.88	
(66,827.58)	(1,487,457.22)	-	(232,833.57)	-	(2,576,310.88)	
5,797.27	35,923.70	-	40,355.71	3,609.45	295,437.77	
-	(3,806,308.13)	-	-	-	(3,806,308.13)	
-	1,496,586.75	-	26,676.66	-	1,523,263.41	
5,797.27	(2,273,797.68)	-	67,032.37	3,609.45	(1,987,606.95)	
65,297.69	(587,617.00)	121,340.37	51,178.50	12,821.45	360,229.84	
75,802.00	587,617.00	(121,340.37)	1,087,098.00	83,646.00	4,680,762.94	
\$ 141,099.69	\$ -	\$ -	\$ 1,138,276.50	\$ 96,467.45	\$ 5,040,992.78	
\$ 92,505.57	\$ 160,781.35	\$ (52,102.28)	\$ 408,929.62	\$ (48,761.99)	\$ 1,589,575.13	
69,313.62	39,954.07	13,976.09	135,685.74	16,438.29	746,225.07	
-	-	-	-	-	40,685.30	
1,695.34	(82,019.51)	(54,350.21)	(374,623.03)	(184.25)	(756,581.16)	
-	(45,858.75)	-	-	-	(45,858.75)	
(21,072.44)	2,247,920.21	183,334.66	(44,548.33)	-	2,337,311.10	
(1,539.15)	230,603.01	(3,955.73)	(25,403.31)	(1,585.05)	88,088.96	
(61.40)	(657.31)	(1,005.96)	23,364.26	-	17,882.50	
4,089.70	(673.19)	31,548.36	58,788.38	-	93,463.07	
4,175.96	3,261.02	6,862.44	34,786.37	-	74,673.30	
\$ 149,107.20	\$ 2,553,310.90	\$ 124,307.37	\$ 216,979.70	\$ (34,093.00)	\$ 4,185,464.52	
\$ (3,325.30)	\$ -	\$ -	\$ -	\$ -	\$ (37,198.72)	
\$ 3,616.00	\$ -	\$ 17,479.00	\$ -	\$ -	\$ 5,363.90	

**CITY OF RAPID CITY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2008**

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
ASSETS:						
Current Assets:						
101 Cash and Cash Equivalents	\$ 4,318,942.65	\$ 1,316,385.85	\$ 126,711.31	\$ 108,014.17	\$ 260,318.27	\$ 6,130,372.25
115 Accounts Receivable	509,221.30	-	-	8,356.45	597.49	518,175.24
151 Investments	-	-	163,371.14	-	1,456,593.87	1,619,965.01
135 Interest Receivable	6,824.56	1,994.78	-	168.70	1,891.34	10,879.38
TOTAL ASSETS	\$ 4,834,988.51	\$ 1,318,380.63	\$ 290,082.45	\$ 116,539.32	\$ 1,719,400.97	\$ 8,279,391.88
LIABILITIES:						
Current Liabilities:						
202 Accounts Payable	\$ 690,330.75	\$ 351,762.85	\$ 4,919.33	\$ 6,142.80	\$ 1,582,673.25	\$ 2,635,828.98
2xx Wages Payable	-	2,713.32	-	-	-	2,713.32
Total Current Liabilities	690,330.75	354,476.17	4,919.33	6,142.80	1,582,673.25	2,638,542.30
NET ASSETS:						
253.90 Unrestricted Net Assets	4,144,657.76	963,904.46	285,163.12	110,396.52	136,727.72	5,640,849.58
TOTAL LIABILITIES AND NET ASSETS	\$ 4,834,988.51	\$ 1,318,380.63	\$ 290,082.45	\$ 116,539.32	\$ 1,719,400.97	\$ 8,279,391.88

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
Operating Revenue:						
380 Charges for Goods and Services	\$ 6,039,806.55	\$ 832.19	\$ -	\$ 123,629.95	\$ 558,686.23	\$ 6,722,954.92
Operating Expenses:						
420 Other Current Expense	4,671,898.60	433,848.34	12,382.78	117,941.98	1,105,877.86	6,341,949.56
Operating Income (Loss)	1,367,907.95	(433,016.15)	(12,382.78)	5,687.97	(547,191.63)	381,005.36
Nonoperating Revenue (Expense):						
361 Investment Earnings (Loss)	128,114.93	49,763.11	-	3,676.51	113,693.80	295,248.35
360 Transfer In/Out	300,000.00	-	-	-	(300,000.00)	-
Change in Net Assets	1,796,022.88	(383,253.04)	(12,382.78)	9,364.48	(733,497.83)	676,253.71
Net Assets - Beginning	2,348,634.88	1,347,157.50	297,545.90	101,032.04	870,225.55	4,964,595.87
NET ASSETS - ENDING	<u>\$ 4,144,657.76</u>	<u>\$ 963,904.46</u>	<u>\$ 285,163.12</u>	<u>\$ 110,396.52</u>	<u>\$ 136,727.72</u>	<u>\$ 5,640,849.58</u>

**CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2008**

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Interfund Services Provided	\$ 5,759,706.25	\$ 832.19	\$ -	\$ 115,273.50	\$ 572,435.74	\$ 6,448,247.68
Payments for Claims & Services	(4,604,068.85)	(355,612.17)	(12,824.45)	(119,892.18)	(588,815.61)	(5,681,213.26)
Net Cash Provided (Used) by Operating Activities	1,155,637.40	(354,779.98)	(12,824.45)	(4,618.68)	(16,379.87)	767,034.42
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers In	300,000.00	-	-	-	-	300,000.00
Transfers Out	-	-	-	-	(300,000.00)	(300,000.00)
Net Cash Provided (Used) by Operating Transfers	300,000.00	-	-	-	(300,000.00)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest Earnings	121,290.25	47,767.33	(1,971.14)	3,506.85	37,839.14	208,432.43
Net Cash Provided by Investing Activities	121,290.25	47,767.33	(1,971.14)	3,506.85	37,839.14	208,432.43
Net Increase (Decrease) in Cash and Cash Equivalents	1,576,927.65	(307,012.65)	(14,795.59)	(1,111.83)	(278,540.73)	975,466.85
Balances - Beginning	2,742,015.00	1,623,398.50	141,506.90	109,126.00	538,859.00	5,154,905.40
Balances- Ending	\$ 4,318,942.65	\$ 1,316,385.85	\$ 126,711.31	\$ 108,014.17	\$ 260,318.27	\$ 6,130,372.25
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 1,367,907.95	\$ (433,016.15)	\$ (12,382.78)	\$ 5,687.97	\$ (547,191.63)	\$ 381,005.36
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:						
Accounts Receivable	(280,100.30)	-	-	(8,356.45)	13,749.51	(274,707.24)
Accounts Payables	67,829.75	75,522.85	(441.67)	(1,950.20)	517,062.25	658,022.98
Wages Payable	-	2,713.32	-	-	-	2,713.32
Net Cash Provided (Used) by Operating Activities	\$ 1,155,637.40	\$ (354,779.98)	\$ (12,824.45)	\$ (4,618.68)	\$ (16,379.87)	\$ 767,034.42

**CITY OF RAPID CITY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2008**

	Deposits Held In Trust Fund	Payroll Withholding Fund	Section 125 Fund	Total
ASSETS:				
Cash and Cash Equivalents	\$ 210,726.40	\$ 279,585.64	\$ 34,111.73	\$ 524,423.77
Investments	519,378.54			519,378.54
TOTAL ASSETS	\$ 730,104.94	\$ 279,585.64	\$ 34,111.73	\$ 1,043,802.31
LIABILITIES:				
Accounts Payable	\$ -	\$ 87,128.10		\$ 87,128.10
Due to Other Organizations	730,104.94	192,457.54	34,111.73	956,674.21
Total Liabilities	\$ 730,104.94	\$ 279,585.64	\$ 34,111.73	\$ 1,043,802.31

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 33 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 60,070.67	\$ 59,007.76
360 Miscellaneous Revenue:		
361 Investment Earnings	-	555.03
Total Revenue	<u>60,070.67</u>	<u>59,562.79</u>
Expenditures:		
470 Debt Service	<u>60,070.67</u>	<u>59,007.76</u>
Total Expenditures	<u>60,070.67</u>	<u>59,007.76</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>555.03</u>
Net Change in Fund Balances	-	555.03
Fund Balance - Beginning	920.52	920.52
FUND BALANCE- ENDING	<u>\$ 920.52</u>	<u>\$ 1,475.55</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 OCCUPANCY TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
314 Occupancy Tax	\$ 1,230,151.54	\$ 1,186,470.77
360 Miscellaneous Revenue:		
361 Interest Earnings	-	3,673.68
Total Revenue	<u>1,230,151.54</u>	<u>1,190,144.45</u>
Expenditures:		
490 Other Expenditures		
492 Other Expenditures	\$ 1,230,151.54	1,183,364.09
Total Expenditures	<u>1,230,151.54</u>	<u>1,183,364.09</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>6,780.36</u>
Net Change in Fund Balances	-	6,780.36
Fund Balance - Beginning	11,031.26	11,031.26
FUND BALANCE- ENDING	<u>\$ 11,031.26</u>	<u>\$ 17,811.62</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 REPAIR AND DEMOLITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
342 Public Safety	\$ 50,000.00	\$ 1,028.00
360 Miscellaneous Revenue:		
361 Interest Earnings	-	2,985.86
363 Special Assessments	-	22,738.35
Total Revenue	<u>50,000.00</u>	<u>26,752.21</u>
Expenditures:		
420 Public Safety		
421 Police	<u>50,000.00</u>	<u>5,833.00</u>
Total Expenditures	<u>50,000.00</u>	<u>5,833.00</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>20,919.21</u>
Net Change in Fund Balances	-	20,919.21
Fund Balance - Beginning	72,584.82	72,584.82
FUND BALANCE- ENDING	<u><u>\$ 72,584.82</u></u>	<u><u>\$ 93,504.03</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 61 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 12,108.01	\$ 11,918.87
360 Miscellaneous Revenue:		
361 Investment Earnings	-	214.23
Total Revenue	12,108.01	12,133.10
Expenditures:		
470 Debt Service	12,108.01	-
Total Expenditures	12,108.01	-
Excess of Revenue Over (Under)		
Expenditures	-	12,133.10
Net Change in Fund Balances	-	12,133.10
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	\$ -	\$ 12,133.10

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 59 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,212.14	\$ 1,198.98
360 Miscellaneous Revenue:		
361 Investment Earnings	-	15.67
Total Revenue	<u>1,212.14</u>	<u>1,214.65</u>
Expenditures:		
470 Debt Service	<u>1,212.14</u>	-
Total Expenditures	<u>1,212.14</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>1,214.65</u>
Net Change in Fund Balances	-	1,214.65
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ -</u>	<u>\$ 1,214.65</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 29 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 2,434.55	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	82.77
Total Revenue	<u>2,434.55</u>	<u>82.77</u>
Expenditures:		
470 Debt Service	<u>2,434.55</u>	-
Total Expenditures	<u>2,434.55</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>82.77</u>
Net Change in Fund Balances	-	82.77
Fund Balance - Beginning	2,356.83	2,356.83
FUND BALANCE- ENDING	<u>\$ 2,356.83</u>	<u>\$ 2,439.60</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 55 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 580,564.66	\$ 354,780.81
360 Miscellaneous Revenue:		
361 Investment Earnings	-	11,614.64
Total Revenue	<u>580,564.66</u>	<u>366,395.45</u>
Expenditures:		
470 Debt Service	<u>580,564.66</u>	-
Total Expenditures	<u>580,564.66</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>366,395.45</u>
Net Change in Fund Balances	-	366,395.45
Fund Balance - Beginning	218,107.06	218,107.06
FUND BALANCE- ENDING	<u><u>\$ 218,107.06</u></u>	<u><u>\$ 584,502.51</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 56 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 13,020.82	\$ 12,575.22
360 Miscellaneous Revenue:		
361 Investment Earnings	-	251.05
Total Revenue	<u>13,020.82</u>	<u>12,826.27</u>
Expenditures:		
470 Debt Service	<u>13,020.82</u>	-
Total Expenditures	<u>13,020.82</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>12,826.27</u>
Net Change in Fund Balances	-	12,826.27
Fund Balance - Beginning	(1,895,525.77)	(1,895,525.77)
FUND BALANCE- ENDING	<u><u>\$ (1,895,525.77)</u></u>	<u><u>\$ (1,882,699.50)</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 54 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 166,891.84	\$ 108,913.97
360 Miscellaneous Revenue:		
361 Investment Earnings	-	512.55
Total Revenue	<u>166,891.84</u>	<u>109,426.52</u>
Expenditures:		
470 Debt Service	<u>166,891.84</u>	<u>172,935.09</u>
Total Expenditures	<u>166,891.84</u>	<u>172,935.09</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(63,508.57)</u>
Other Financing Sources/(Uses)		
391.02 Long-term Debt Issued	-	165,483.74
511 Transfers Out	-	(127,219.78)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>38,263.96</u>
Net Change in Fund Balances	-	(25,244.61)
Fund Balance - Beginning	31,683.91	31,683.91
FUND BALANCE- ENDING	<u><u>\$ 31,683.91</u></u>	<u><u>\$ 6,439.30</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 44 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 312,298.77	\$ 142,729.08
360 Miscellaneous Revenue:		
361 Investment Earnings	-	7,897.01
Total Revenue	<u>312,298.77</u>	<u>150,626.09</u>
Expenditures:		
470 Debt Service	<u>312,298.77</u>	-
Total Expenditures	<u>312,298.77</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>150,626.09</u>
Net Change in Fund Balances	-	150,626.09
Fund Balance - Beginning	162,403.24	162,403.24
FUND BALANCE- ENDING	<u>\$ 162,403.24</u>	<u>\$ 313,029.33</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 46 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 467,586.71	\$ 342,805.69
360 Miscellaneous Revenue:		
361 Investment Earnings	-	4,034.42
Total Revenue	<u>467,586.71</u>	<u>346,840.11</u>
Expenditures:		
470 Debt Service	<u>467,586.71</u>	<u>332,913.29</u>
Total Expenditures	<u>467,586.71</u>	<u>332,913.29</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>13,926.82</u>
Net Change in Fund Balances	-	13,926.82
Fund Balance - Beginning	95,056.90	95,056.90
FUND BALANCE- ENDING	<u><u>\$ 95,056.90</u></u>	<u><u>\$ 108,983.72</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 48 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 7,300.58	\$ 7,220.74
360 Miscellaneous Revenue:		
361 Investment Earnings	-	19.89
Total Revenue	<u>7,300.58</u>	<u>7,240.63</u>
Expenditures:		
470 Debt Service	<u>7,300.58</u>	<u>7,220.74</u>
Total Expenditures	<u>7,300.58</u>	<u>7,220.74</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>19.89</u>
Net Change in Fund Balances	-	19.89
Fund Balance - Beginning	33.68	33.68
FUND BALANCE- ENDING	<u>\$ 33.68</u>	<u>\$ 53.57</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 19 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 246,073.18	\$ 265,137.39
360 Miscellaneous Revenue:		
361 Investment Earnings	-	838.75
Total Revenue	<u>246,073.18</u>	<u>265,976.14</u>
Expenditures:		
470 Debt Service	<u>246,073.18</u>	<u>244,200.51</u>
Total Expenditures	<u>246,073.18</u>	<u>244,200.51</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>21,775.63</u>
Net Change in Fund Balances	-	21,775.63
Fund Balance - Beginning	12,275.19	12,275.19
FUND BALANCE- ENDING	<u>\$ 12,275.19</u>	<u>\$ 34,050.82</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 50 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 18,228.21	\$ 7,868.14
360 Miscellaneous Revenue:		
361 Investment Earnings	-	475.97
Total Revenue	<u>18,228.21</u>	<u>8,344.11</u>
Expenditures:		
470 Debt Service	<u>18,228.21</u>	-
Total Expenditures	<u>18,228.21</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>8,344.11</u>
Net Change in Fund Balances	-	8,344.11
Fund Balance - Beginning	10,186.76	10,186.76
FUND BALANCE- ENDING	<u><u>\$ 10,186.76</u></u>	<u><u>\$ 18,530.87</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 49 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 24,364.71	\$ 20.08
360 Miscellaneous Revenue:		
361 Investment Earnings	-	827.65
Total Revenue	<u>24,364.71</u>	<u>847.73</u>
Expenditures:		
470 Debt Service	<u>24,364.71</u>	-
Total Expenditures	<u>24,364.71</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>847.73</u>
Other Financing Uses		
511 Transfers Out	<u>-</u>	<u>(188,856.00)</u>
Net Change in Fund Balances	-	(188,008.27)
Fund Balance - Beginning	23,567.94	23,567.94
FUND BALANCE- ENDING	<u><u>\$ 23,567.94</u></u>	<u><u>\$ (164,440.33)</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 52 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 21,984.25	\$ 21,303.22
360 Miscellaneous Revenue:		
361 Investment Earnings	-	307.55
Total Revenue	<u>21,984.25</u>	<u>21,610.77</u>
Expenditures:		
470 Debt Service	<u>21,984.25</u>	-
Total Expenditures	<u>21,984.25</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>21,610.77</u>
Net Change in Fund Balances	-	21,610.77
Fund Balance - Beginning	419.04	419.04
FUND BALANCE- ENDING	<u>\$ 419.04</u>	<u>\$ 22,029.81</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 51 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 50,308.30	\$ 44,267.99
360 Miscellaneous Revenue:		
361 Investment Earnings	-	130.63
Total Revenue	<u>50,308.30</u>	<u>44,398.62</u>
Expenditures:		
470 Debt Service	<u>50,308.30</u>	<u>49,022.35</u>
Total Expenditures	<u>50,308.30</u>	<u>49,022.35</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(4,623.73)</u>
Net Change in Fund Balances	-	(4,623.73)
Fund Balance - Beginning	7,909.21	7,909.21
FUND BALANCE- ENDING	<u>\$ 7,909.21</u>	<u>\$ 3,285.48</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 53 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 40,193.76	\$ 38,436.90
360 Miscellaneous Revenue:		
361 Investment Earnings	-	156.08
Total Revenue	<u>40,193.76</u>	<u>38,592.98</u>
Expenditures:		
470 Debt Service	<u>40,193.76</u>	<u>37,696.94</u>
Total Expenditures	<u>40,193.76</u>	<u>37,696.94</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>896.04</u>
Net Change in Fund Balances	-	896.04
Fund Balance - Beginning	1,605.19	1,605.19
FUND BALANCE- ENDING	<u><u>\$ 1,605.19</u></u>	<u><u>\$ 2,501.23</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 47 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 12,059.99	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	409.20
Total Revenue	<u>12,059.99</u>	<u>409.20</u>
Expenditures:		
470 Debt Service	<u>12,059.99</u>	-
Total Expenditures	<u>12,059.99</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>409.20</u>
Net Change in Fund Balances	-	409.20
Fund Balance - Beginning	11,675.78	11,675.78
FUND BALANCE- ENDING	<u>\$ 11,675.78</u>	<u>\$ 12,084.98</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 36 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 566,202.96	\$ 563,915.73
360 Miscellaneous Revenue:		
361 Investment Earnings	-	3,418.27
Total Revenue	<u>566,202.96</u>	<u>567,334.00</u>
Expenditures:		
470 Debt Service	<u>566,202.96</u>	315,380.88
Total Expenditures	<u>566,202.96</u>	<u>315,380.88</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>251,953.12</u>
Net Change in Fund Balances	-	251,953.12
Fund Balance - Beginning	29,410.87	29,410.87
FUND BALANCE- ENDING	<u>\$ 29,410.87</u>	<u>\$ 281,363.99</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 38 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 270,083.37	\$ 284,757.53
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,327.49
Total Revenue	<u>270,083.37</u>	<u>286,085.02</u>
Expenditures:		
470 Debt Service	270,083.37	203,708.91
490 Miscellaneous Expenses	-	17,417.76
Total Expenditures	<u>270,083.37</u>	<u>221,126.67</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>64,958.35</u>
Net Change in Fund Balances	-	64,958.35
Fund Balance - Beginning	(69,938.20)	(69,938.20)
FUND BALANCE- ENDING	<u>\$ (69,938.20)</u>	<u>\$ (4,979.85)</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 39 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 2,575.64	\$ 2,502.86
360 Miscellaneous Revenue:		
361 Investment Earnings	-	35.79
Total Revenue	<u>2,575.64</u>	<u>2,538.65</u>
Expenditures:		
470 Debt Service	2,575.64	-
490 Miscellaneous Expenses	-	1,251.43
Total Expenditures	<u>2,575.64</u>	<u>1,251.43</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>1,287.22</u>
Other Financing Uses		
511 Transfers Out	-	(1,191,144.00)
Net Change in Fund Balances	-	(1,189,856.78)
Fund Balance - Beginning	3,748.51	3,748.51
FUND BALANCE- ENDING	<u>\$ 3,748.51</u>	<u>\$ (1,186,108.27)</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 40 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 83,816.17	\$ 77,311.08
360 Miscellaneous Revenue:		
361 Investment Earnings	-	250.10
Total Revenue	<u>83,816.17</u>	<u>77,561.18</u>
Expenditures:		
470 Debt Service	<u>83,816.17</u>	<u>77,450.17</u>
Total Expenditures	<u>83,816.17</u>	<u>77,450.17</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>111.01</u>
Net Change in Fund Balances	-	111.01
Fund Balance - Beginning	6,262.31	6,262.31
FUND BALANCE- ENDING	<u>\$ 6,262.31</u>	<u>\$ 6,373.32</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 41 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 461,910.57	\$ 407,000.67
360 Miscellaneous Revenue:		
361 Investment Earnings	-	5,842.59
Total Revenue	<u>461,910.57</u>	<u>412,843.26</u>
Expenditures:		
470 Debt Service	461,910.57	287,570.13
485 Capital Outlay	-	1,918,530.06
Total Expenditures	<u>461,910.57</u>	<u>2,206,100.19</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(1,793,256.93)</u>
Other Financing Uses		
391.02 Long-term Debt Issued	-	2,048,530.06
511 Transfers Out	-	(130,000.00)
	<u>-</u>	<u>1,918,530.06</u>
Net Change in Fund Balances	-	125,273.13
Fund Balance - Beginning	(846,687.91)	(846,687.91)
FUND BALANCE- ENDING	<u>\$ (846,687.91)</u>	<u>\$ (721,414.78)</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 42 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 558,203.09	\$ 338,203.35
360 Miscellaneous Revenue:		
361 Investment Earnings	-	12,774.92
Total Revenue	<u>558,203.09</u>	<u>350,978.27</u>
Expenditures:		
470 Debt Service	<u>558,203.09</u>	-
Total Expenditures	<u>558,203.09</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>350,978.27</u>
Net Change in Fund Balances	-	350,978.27
Fund Balance - Beginning	(118,392.60)	(118,392.60)
FUND BALANCE- ENDING	<u>\$ (118,392.60)</u>	<u>\$ 232,585.67</u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 43 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 645,170.09	\$ 863,734.77
360 Miscellaneous Revenue:		
361 Investment Earnings	-	28,457.91
Total Revenue	<u>645,170.09</u>	<u>892,192.68</u>
Expenditures:		
470 Debt Service	645,170.09	68,829.21
485 Capital Outlay	-	493,965.91
490 Miscellaneous Expenses	-	37,155.63
Total Expenditures	<u>645,170.09</u>	<u>599,950.75</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>292,241.93</u>
Other Financing Uses		
391.02 Long-term Debt Issued	-	2,310,096.00
	<u>-</u>	<u>2,310,096.00</u>
Net Change in Fund Balances	-	2,602,337.93
Fund Balance - Beginning	(1,547,406.82)	(1,547,406.82)
FUND BALANCE- ENDING	<u>\$ (1,547,406.82)</u>	<u>\$ 1,054,931.11</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 RETIRED SENIOR VOLUNTEER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grants	\$ 115,205.00	\$ 57,895.53
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	40,651.05
Total Revenue	<u>115,205.00</u>	<u>98,546.58</u>
Expenditures:		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>115,205.00</u>	<u>102,389.04</u>
Total Expenditures	<u>115,205.00</u>	<u>102,389.04</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(3,842.46)</u>
Net Change in Fund Balances	-	(3,842.46)
Fund Balance - Beginning	7,959.41	7,959.41
FUND BALANCE- ENDING	<u><u>\$ 7,959.41</u></u>	<u><u>\$ 4,116.95</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 572,692.00	\$ 496,921.30
340 Charges for Goods and Services:		
342 General Government	-	1,250.00
349 Conservation and Development	-	8,748.63
Total Revenue	<u>572,692.00</u>	<u>506,919.93</u>
Expenditures:		
460 Community Development:		
463 Community Development	<u>1,004,460.47</u>	<u>521,408.50</u>
Total Expenditures	<u>1,004,460.47</u>	<u>521,408.50</u>
Excess of Revenue Over (Under)		
Expenditures	<u>(431,768.47)</u>	<u>(14,488.57)</u>
Net Change in Fund Balances	(431,768.47)	(14,488.57)
Fund Balance - Beginning	(37,905.53)	(37,905.53)
FUND BALANCE- ENDING	<u><u>\$ (469,674.00)</u></u>	<u><u>\$ (52,394.10)</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
341 General Government	\$ 25,000.00	\$ 21,443.32
Total Revenue	25,000.00	21,443.32
 Expenditures:		
490 Miscellaneous		
492 Other Expenditures	26,766.40	20,652.65
Total Expenditures	26,766.40	20,652.65
 Excess of Revenue Over (Under)		
Expenditures	(1,766.40)	790.67
 Net Change in Fund Balances		
	(1,766.40)	790.67
 Fund Balance - Beginning		
	11,123.50	11,123.50
 FUND BALANCE- ENDING		
	\$ 9,357.10	\$ 11,914.17

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
REHABILITATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
341 General Government	\$ -	\$ 298.30
349 Conservation and Development	50.00	66,978.03
360 Miscellaneous Revenue:		
361 Interest Earnings	-	5.69
Total Revenue	<u>50.00</u>	<u>67,282.02</u>
Expenditures:		
460 Conservation & Development		
463 Community Development	50.00	65,791.65
Total Expenditures	<u>50.00</u>	<u>65,791.65</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>1,490.37</u>
Net Change in Fund Balances	-	1,490.37
Fund Balance - Beginning	58,943.92	58,943.92
FUND BALANCE- ENDING	<u><u>\$ 58,943.92</u></u>	<u><u>\$ 60,434.29</u></u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 35 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 40,759.17	\$ 40,382.28
360 Miscellaneous Revenue:		
361 Investment Earnings	-	169.70
Total Revenue	<u>40,759.17</u>	<u>40,551.98</u>
Expenditures:		
470 Debt Service	<u>40,759.17</u>	<u>30,852.10</u>
Total Expenditures	<u>40,759.17</u>	<u>30,852.10</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>9,699.88</u>
Net Change in Fund Balances	-	9,699.88
Fund Balance - Beginning	507.52	507.52
FUND BALANCE- ENDING	<u>\$ 507.52</u>	<u>\$ 10,207.40</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 LIBRARY BOARD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
350 Fine and Forfeitures		
354 Library	\$ 98,730.00	\$ 102,273.38
Total Revenue	98,730.00	102,273.38
 Expenditures:		
450 Culture and Recreation		
455 Library	144,471.90	38,734.80
Total Expenditures	144,471.90	38,734.80
 Excess of Revenue Over (Under)		
Expenditures	(45,741.90)	63,538.58
 Net Change in Fund Balances	(45,741.90)	63,538.58
 Fund Balance - Beginning	70,770.18	70,770.18
 FUND BALANCE- ENDING	\$ 25,028.28	\$ 134,308.76

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 CEMETERY PERPETUAL CARE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
348 Cemetery	\$ 15,000.00	\$ 2,763.86
360 Miscellaneous Revenue:		
361 Interest Earnings	-	1,247.76
Total Revenue	<u>15,000.00</u>	<u>4,011.62</u>
Expenditures:		
437 Cemetery	<u>15,000.00</u>	<u>204.00</u>
Total Expenditures	<u>15,000.00</u>	<u>204.00</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>3,807.62</u>
Other Financing Sources (Uses):		
511 Transfers Out	-	<u>(8,942.35)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,942.35)</u>
Net Change in Fund Balances	-	(5,134.73)
Fund Balance - Beginning	73,572.29	73,572.29
FUND BALANCE- ENDING	<u>\$ 73,572.29</u>	<u>\$ 68,437.56</u>

STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

**Beginning net assets have been restated

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

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

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

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
Operating Grants & Contributions	4,209,762	2,430,571	2,140,864	2,004,095	2,068,813	2,785,807	1,944,336	1,523,283
Capital Grants & Contributions	95,000	-	3,917,163	9,150,725	9,709,472	1,586,051	6,231,806	6,855,041
Total governmental activities	<u>7,451,838</u>	<u>7,110,194</u>	<u>12,625,967</u>	<u>16,768,256</u>	<u>19,501,232</u>	<u>11,125,815</u>	<u>15,791,982</u>	<u>15,242,078</u>
Business-type activities								
Water	6,886,301	8,181,214	8,833,047	8,159,633	9,413,770	10,041,912	10,996,410	9,679,252
Water Reclamation	4,168,699	4,744,808	4,599,303	4,782,545	6,226,225	6,887,604	8,023,176	8,452,856
Airport	2,817,732	3,289,565	3,329,929	3,541,939	4,053,585	3,835,585	4,288,879	4,917,350
Solid Waste Disposal	1,775,152	1,694,972	1,676,636	1,532,669	1,548,491	1,814,979	2,989,536	2,325,371
Solid Waste MRF	2,342,340	2,277,296	2,754,032	3,238,640	3,413,875	3,354,528	2,110,224	3,610,916
Civic Center	2,321,799	2,809,576	2,995,192	3,140,706	3,525,052	3,082,211	3,174,853	4,206,845
Solid Waste Collection	1,200,025	1,526,468	1,508,526	1,571,225	1,685,053	1,756,437	1,944,670	2,195,863
Executive Golf Course	204,346	176,734	156,776	126,587	120,435	131,362	137,418	149,257
Cemetery	136,275	127,601	140,694	133,244	156,458	165,945	149,899	156,502
Golf Course	727,101	791,025	894,044	787,790	731,191	777,777	793,205	1,078,771
Parking Lot & Area	520,281	522,746	591,889	566,165	528,082	532,415	520,044	627,201
Energy Plant	199,631	228,880	198,671	201,643	328,026	303,371	260,995	288,592
Ambulance	-	-	1,656,598	2,310,001	2,353,240	2,337,896	2,603,158	3,007,532
Transporation Terminal	29,544	30,083	28,867	32,570	33,387	30,494	28,111	35,093
Operating Grants & Contributions	-	-	-	-	-	-	-	-
Capital Grants & Contributions	1,856,610	3,987,981	2,627,049	5,382,212	9,257,768	10,439,307	6,636,675	5,449,466
Total business-type activities	<u>25,185,836</u>	<u>30,388,949</u>	<u>31,991,253</u>	<u>35,507,569</u>	<u>43,374,638</u>	<u>45,491,823</u>	<u>44,657,253</u>	<u>46,180,865</u>
Total primary government revenue	\$ 32,637,674	\$ 37,499,143	\$ 44,617,220	\$ 52,275,825	\$ 62,875,930	\$ 56,617,638	\$ 60,449,235	\$ 61,422,943
Net (Expense) Revenue	(26,990,053)	(30,834,072)	(32,679,712)	(29,695,669)	(29,709,578)	(44,924,696)	(42,243,628)	(46,701,723)
Governmental activities	2,274,546	4,946,775	4,520,264	5,032,466	11,267,830	10,568,540	9,469,563	7,235,597
Business-type activities	<u>\$ (24,715,507)</u>	<u>\$ (25,887,297)</u>	<u>\$ (28,159,448)</u>	<u>\$ (24,663,203)</u>	<u>\$ (18,441,748)</u>	<u>\$ (34,356,156)</u>	<u>\$ (32,774,065)</u>	<u>\$ (39,466,126)</u>
General Revenue and other changes net assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 8,651,343	\$ 9,274,656	\$ 9,032,940	\$ 9,074,257	\$ 11,132,203	\$ 12,258,052	\$ 15,094,006	\$ 15,635,849
Sales taxes	27,764,545	27,774,001	32,048,237	32,484,575	35,652,430	38,875,471	40,802,422	43,203,611
Other taxes	352,647	1,505,890	570,792	252,291	760,324	1,791,451	266,596	2,139,252
State shared revenue	823,628	1,019,875	881,196	1,013,404	888,271	1,101,198	1,147,108	1,137,198
County shared revenue	231,365	222,960	232,901	241,368	241,891	246,342	284,357	241,900
Non-program grants & contributions	54,501	245,602	135,654	60,571	40,574	47,801	85,546	-

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

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
Unrestricted investment earnings	3,246,197	2,671,849	1,105,617	1,160,917	1,290,324	4,459,221	4,770,186	2,972,201
Miscellaneous revenue	1,329,151	1,014,342	328,199	229,443	154,137	163,020	276,407	261,460
Gain (loss) on disposal of capital assets	-	-	(93,316)	115,937	569,595	(248,867)	5,348	(24,180)
Transfers	(805,085)	(1,241,262)	(1,058,976)	(773,944)	(772,400)	(4,520,224)	(20,937,446)	(21,394,867)
Total governmental activities	41,648,292	42,487,913	43,183,244	43,858,819	49,957,349	54,173,465	41,794,530	44,172,423
Business-type activities								
Taxes								
Gross Receipts Tax	2,000,389	2,141,193	2,331,448	2,332,024	2,498,853	2,634,751	2,797,145	2,922,529
Other taxes	114,279	419,215	180,569	152,877	293,088	169,500	227,308	253,034
Unrestricted investment earnings	659,352	804,233	369,269	375,062	358,223	691,989	1,139,903	1,541,453
Miscellaneous revenue	-	1,402,208	2,410,139	(88,300)	191,356	13,892	-	663,290
Gain (loss) on disposal of capital assets	-	-	(132,151)	29,836	(219,115)	(6,785)	411,449	(81,428)
Transfers	805,085	1,241,262	1,058,976	773,944	772,400	4,520,225	20,937,446	21,394,867
Total business-type activities	3,579,105	6,008,111	6,218,250	3,575,443	3,894,805	8,023,572	25,513,251	26,693,745
Total primary government	\$ 45,227,397	\$ 48,496,024	\$ 49,401,494	\$ 47,434,262	\$ 53,852,154	\$ 62,197,037	\$ 67,307,781	\$ 70,866,168
Change in Net Assets								
Government activities	14,658,239	11,653,841	10,503,532	14,163,150	20,247,771	9,248,769	(449,098)	(2,529,299)
Business-type activities	5,853,651	10,954,886	10,738,514	8,607,909	15,162,635	18,592,112	34,982,814	33,929,342
Total primary government	\$ 20,511,890	\$ 22,608,727	\$ 21,242,046	\$ 22,771,059	\$ 35,410,406	\$ 27,840,881	\$ 34,533,716	\$ 31,400,043

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

	Fiscal Year									
	1999	2000	2001	2002*	2003	2004	2005	2006	2007**	2008
General Fund										
Reserved	\$ 1,076	\$ 1,574	\$ 963	\$ 40	\$ 509	\$ 751	\$ 1,072	\$ 920	\$ 685	\$ 2,351
Unreserved	11,655	13,732	16,259	17,840	17,815	17,409	17,470	16,792	16,214	15,190
Total General Fund	<u>\$12,731</u>	<u>\$15,306</u>	<u>\$17,222</u>	<u>\$17,880</u>	<u>\$18,324</u>	<u>\$18,160</u>	<u>\$18,542</u>	<u>\$17,712</u>	<u>\$ 16,899</u>	<u>\$17,541</u>
All Other Governmental Funds										
Reserved	\$13,209	\$15,207	\$19,786	\$10,158	\$ 8,449	\$ 9,441	\$55,241	\$48,454	\$ 46,632	\$19,134
Unreserved, reported in										
Special Revenue	20,171	23,008	30,376	31,486	22,269	19,069	22,985	28,999	22,410	30,825
Capital Projects	1,264	8,233	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	(3,960)
Permanent Funds	-	-	-	-	-	-	-	-	-	68
Total All Other Governmental Funds	<u>\$34,644</u>	<u>\$46,448</u>	<u>\$50,162</u>	<u>\$41,644</u>	<u>\$30,718</u>	<u>\$28,510</u>	<u>\$78,226</u>	<u>\$77,453</u>	<u>\$ 69,042</u>	<u>\$46,068</u>

* Implementation of GASB 34 changed the nature of reserved funds

**Beginning net assets have been restated

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

	Fiscal Year									
	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$ 29,961	\$ 34,533	\$ 36,341	\$ 37,021	\$ 41,482	\$ 42,391	\$ 47,078	\$ 52,279	\$ 56,278	\$ 60,751
Licenses & Permits	961	1,110	1,345	1,440	1,414	1,874	2,048	2,019	2,362	1,913
Intergovernmental	4,234	3,857	3,278	3,591	3,293	3,259	3,139	4,134	5,134	4,721
Charges for Services	708	849	1,805	3,098	4,963	3,500	5,616	4,503	5,127	4,367
Fines and Forfeits	47	110	173	157	190	240	158	231	207	167
Miscellaneous	4,182	5,979	6,153	4,740	1,837	1,703	1,866	4,792	5,594	3,658
Total Revenues	40,093	46,438	49,095	50,047	53,179	52,967	59,905	67,958	74,702	75,577
Expenditures:										
General Government	1,222	1,339	1,764	1,814	1,914	2,092	2,283	2,215	2,719	2,851
Public Safety	13,151	13,592	14,534	15,219	15,884	16,531	16,938	18,022	19,591	19,419
Public Works	7,366	10,734	13,131	4,181	7,159	7,267	5,782	6,306	15,251	7,380
Health & Welfare	1,262	1,395	1,592	2,970	1,515	1,639	1,868	2,007	2,827	2,362
Culture & Recreation	4,007	5,541	14,194	5,055	5,507	6,498	6,988	7,497	13,476	9,138
Development	3,244	3,717	5,468	2,460	2,518	1,397	4,252	4,007	4,558	4,717
Debt Service										
Interest	1,926	1,638	2,669	2,567	1,830	1,463	1,376	2,842	2,865	3,351
Principal	4,635	4,326	5,111	5,342	6,716	5,392	5,987	7,264	9,366	10,350
Capital Outlay	-	-	-	16,172	20,270	11,982	10,861	11,479	2,194	35,068
Miscellaneous	331	-	6	1,152	-	842	452	3,406	1,693	1,291
Total Expenditures	37,144	42,282	58,469	56,932	63,313	55,103	56,787	65,045	74,540	95,926
Excess of Revenue Over (Under) Expenditures	2,949	4,156	(9,374)	(6,885)	(10,134)	(2,136)	3,118	2,913	161	(20,348)
Other Financing Sources (Uses)										
Transfers In	5,339	8,522	14,089	12,564	3,027	1,060	1,539	1,550	1,107	2,169
Transfers Out	(5,031)	(8,305)	(14,894)	(13,805)	(4,086)	(1,834)	(2,011)	(6,070)	(21,306)	(10,528)
Payment to Bond Agent	-	-	-	(13,424)	-	-	-	-	-	-
Proceeds for Borrowing	82	10,000	14,405	13,314	-	160	46,824	-	10,920	6,355
Sales of Property	56	6	123	377	20	378	629	4	86	20
Total Other Financing Sources (Uses)	446	10,223	13,723	(974)	(1,039)	(236)	46,981	(4,516)	(9,194)	(1,983)
Net Change in Fund Balance	3,395	14,379	4,349	(7,859)	(11,173)	(2,372)	50,099	(1,603)	(9,032)	(22,332)
Debt Service as a percentage of Noncapital Expenditures	17.7%	14.1%	13.3%	19.4%	19.9%	15.9%	16.0%	18.9%	16.9%	22.5%

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	BANK FRANCHISE TAX	LIQUOR TAX	AMUSEMENT TAX	COUNTY ROAD TAX	GROSS RECEIPTS TAX	TOTAL
1999	7,379	26,042	220	57	272	11	-	-	33,981
2000	7,940	26,286	296	73	293	11	-	-	34,899
2001	8,224	27,764	311	62	277	42	-	-	36,680
2002	8,938	27,774	265	87	294	43	-	-	37,401
2003	9,077	32,048	356	38	295	-	-	-	41,814
2004	9,622	32,484	284	92	339	-	-	-	42,821
*2005	11,063	35,652	362	74	309	-	-	-	47,460
2006	12,011	38,875	410	58	333	-	-	77	51,764
2007	15,475	40,802	-	94	417	-	284	266	57,338
2008	15,695	43,204	-	98	364	-	242	1,853	61,454

* 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	
1999	2,075,593,779	2,441,875,034	(1)	(1)	2,075,593,779	2,441,875,034	0.90
2000	2,227,338,452	2,620,397,647	(1)	(1)	2,227,338,452	2,620,397,647	0.85
2001	2,316,510,219	2,725,306,140	(1)	(1)	2,316,510,219	2,725,306,140	0.85
2002	2,628,305,467	3,092,124,079	(1)	(1)	2,628,305,467	3,092,124,079	0.85
2003	2,914,381,622	3,428,684,261	(1)	(1)	2,914,381,622	3,428,684,261	0.85
2004	3,220,316,408	3,788,607,539	(1)	(1)	3,220,316,408	3,788,607,539	0.85
2005	3,438,568,538	4,045,374,751	(1)	(1)	3,438,568,538	4,045,374,751	0.85
2006	3,727,410,934	4,385,189,334	(1)	(1)	3,727,410,934	4,385,189,334	0.85
2007	4,018,678,206	4,727,856,713	(1)	(1)	4,018,678,206	4,727,856,713	0.85
2008	4,324,369,253	5,087,493,239	(1)	(1)	4,324,369,253	5,087,493,239	0.85

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		
1999	189	37,063,182	144	19,312,876	839,782,116	1,235,811,663	N/A	
2000	91	38,721,168	146	18,483,752	976,300,331	1,251,038,121	N/A	
2001	146	37,405,560	201	25,505,215	1,178,585,340	1,137,924,879	N/A	
2002	48	42,644,786	312	55,656,291	1,079,998,360	1,548,307,107	N/A	
2003	47	22,754,813	376	55,749,978	1,216,205,021	1,698,176,601	N/A	
2004	79	33,144,799	456	77,101,976	1,376,532,288	1,843,784,120	N/A	
2005	59	34,755,729	475	70,648,172	1,422,673,534	2,015,895,004	N/A	
2006	83	55,259,062	355	66,530,424	1,504,953,522	2,222,457,412	N/A	
2007	83	60,676,861	282	61,623,991	1,580,826,294	2,437,851,912	N/A	
2008	56	44,798,267	204	30,225,075	1,756,482,768	2,567,886,485	N/A	

(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
1999	3.48	-	-	3.48	20.65	5.49	29.62
2000	3.42	-	-	3.42	18.72	5.39	27.53
2001	3.47	-	-	3.47	18.73	5.44	27.64
2002	3.30	-	-	3.30	17.71	5.18	26.19
2003	3.15	-	-	3.15	16.92	4.94	25.01
2004	3.06	-	-	3.06	16.40	4.73	24.19
2005	3.03	-	-	3.03	16.01	4.70	23.74
2006	2.97	-	-	2.97	15.16	4.58	22.71
2007	2.96	-	-	2.96	14.15	4.57	21.68
2008	2.99	-	-	2.99	13.91	4.75	21.65

CITY OF RAPID CITY
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 DECEMBER 31, 2008

Taxpayer	Type of Business	2008 Assessed Valuation	Percent of Total Assessed Valuation
SM Rushmore Mall	Shopping Mall	\$ 45,538,166	1.05%
Walmart Real Estate	Discount Retail	\$ 14,234,313	0.33%
Rushmore Plaza	Holiday Inn Motel	\$ 13,950,864	0.32%
Perkins Delaware	Shopping Center	\$ 13,430,933	0.31%
Regency Rapid City	Ramada Inn Convention Center	\$ 12,278,712	0.28%
Harmony Heights Assn	Apartment Complex	\$ 10,046,592	0.23%
Physicians Real Estate LLP	Medical Clinic	\$ 9,824,885	0.23%
LaCrosse Investors LLP	Apartment Complex	\$ 9,751,104	0.23%
Lowe's Home Centers Inc	Retail	\$ 9,701,126	0.22%
Hetherington Flormann	Medical Offices	\$ 9,614,487	0.22%
		\$ 148,371,182	3.43%

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes To Tax Levy
1999	6,851,362	6,715,864	98.0%	190,486	6,906,350	100.8%	(1)	(1)
2000	7,230,027	7,083,521	98.0%	247,413	7,330,934	101.4%	(1)	(1)
2001	7,656,404	7,431,485	97.1%	54,709	7,486,194	97.8%	(1)	(1)
2002	8,034,700	7,914,265	98.5%	195,193	8,109,458	100.9%	(1)	(1)
2003	8,681,453	8,578,722	98.8%	195,258	8,773,980	101.1%	(1)	(1)
2004	9,250,197	9,050,289	97.8%	162,855	9,213,144	99.6%	(1)	(1)
2005	9,858,569	9,723,310	98.6%	118,992	9,842,302	99.8%	(1)	(1)
2006	10,509,158	10,113,356	96.2%	205,243	10,318,599	98.2%	(1)	(1)
2007	11,030,680	10,995,764	99.7%	205,685	11,201,449	101.5%	(1)	(1)
2008	11,645,977	11,400,163	97.9%	298,571	11,698,734	100.5%	(1)	(1)

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

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
A. Agriculture, Forestry	\$ 9,598	\$ 10,392	\$ 11,692	\$ 12,181	\$ 14,167	\$ 15,255	\$ 16,533	\$ 17,372	\$ 20,029	\$ 20,147
B. Mining	10,143	14,045	11,881	12,365	13,074	12,251	14,518	17,175	12,219	18,040
C. Construction	3,794	4,519	5,148	4,723	3,469	3,137	3,096	2,866	2,656	3,312
D. Manufacturing	34,837	39,681	42,884	59,508	57,201	56,610	61,712	74,599	63,597	68,139
E. Transportation & Utility	133,774	139,929	149,406	185,955	170,370	189,469	180,379	197,472	200,465	208,102
F. Wholesale Trade	120,555	122,244	125,566	130,912	124,906	127,620	93,439	99,669	101,264	99,249
G. Retail Trade	840,496	894,426	912,809	896,949	1,014,298	1,100,896	1,218,739	1,141,396	1,309,433	1,336,008
H. Finance, Insurance	18,683	19,783	20,608	23,656	30,653	39,245	42,497	40,047	37,418	31,904
I. Services	247,537	262,811	276,043	278,365	297,209	307,191	321,978	347,832	367,140	396,052
J. Public Administration	-	-	43	53	47	-	-	-	-	-
K. Other	297	-	-	-	-	-	42	63	-	-
Total	\$ 1,419,714	\$ 1,507,830	\$ 1,556,080	\$ 1,604,667	\$ 1,725,394	\$ 1,851,674	\$ 1,952,933	\$ 1,938,491	\$ 2,114,221	\$ 2,180,954

Source: SD Department of Revenue

CITY OF RAPID CITY
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2008 (UNAUDITED)

<u>ASSESSED VALUE OF TAXABLE PROPERTY (1)</u>	\$ 4,324,369,253
DEBT LIMITS - General Purposes	
Debt Limitation - 5% of Assessed Value	216,218,463
Utilities (Water & Sewer) - 10% of Assessed Value	432,436,925
Streets, Railways or Electric - 8% of Assessed Value	<u>345,949,540</u>
Total Debt Limit	<u><u>994,604,928</u></u>
DEBT APPLICABLE TO LIMITATION	
General Purposes (5%)	
Sales Tax Bonds	59,515,000
Parking Revenue Bonds	2,465,000
Airport Certificate of Participation	855,000
Tax Increment Financing	9,017,546
SRF Loans	14,163,806
Capital Leases	<u>1,800,578</u>
	87,816,930
Utilities (10%)	
Outstanding Debt	-
Streets, Railways or Electric (8%)	
Outstanding Debt	<u>-</u>
Total Applicable Debt	87,816,930
LONG-TERM OBLIGATIONS NOT SUBJECT TO LIMITATION	<u>9,872,546</u>
TOTAL DEBT AND LONG TERM OBLIGATIONS	<u><u>\$ 77,944,384</u></u>

Source: Pennington County Auditor (includes Railroads & Utilities)

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 477,386	\$ 512,285	\$ 532,797	\$ 634,358	\$ 670,608	\$ 740,673	\$ 790,871	\$ 857,305	\$ 904,924	\$ 994,605
Total net debt applicable to limit	41,328	46,196	55,984	55,984	55,000	49,509	87,400	79,719	80,743	77,944
Legal debt margin	\$ 436,058	\$ 466,089	\$ 476,813	\$ 578,374	\$ 615,608	\$ 691,164	\$ 703,471	\$ 777,586	\$ 824,181	\$ 916,661
Total net debt applicable to limit as percentage of debt limit	8.66%	9.02%	10.51%	8.83%	8.20%	6.68%	11.05%	9.30%	8.92%	7.84%

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		
1999	12,403,076	7,257,214	5,145,862	948,111	743,745	1,691,856	3.04
2000	14,104,444	7,634,291	6,470,153	890,062	582,068	1,472,130	4.40
2001	16,692,689	8,195,696	8,496,993	1,019,057	500,275	1,519,332	5.59
2002	21,527,982	9,640,108	11,887,874	993,108	675,897	1,669,005	7.12
2003	14,192,199 (1)	6,997,315 (1)	7,194,884	1,071,672 (3)	739,994	1,811,666	2.52
2004	17,449,741	10,362,410	7,087,331	1,147,940	785,442	1,933,382	2.73
2005	20,928,615	11,650,025	9,278,590	1,488,399	951,352	2,439,751	2.63
2006	21,885,948	13,805,413	8,080,535	1,558,739	776,582	2,335,321	2.89
2007	23,828,508	19,630,615	4,197,893	1,610,630	727,097	2,337,726	1.80
2008	23,676,658	19,255,466	4,421,192	2,769,826 (3)	664,609	3,434,435	1.29

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

(2) Does not include capital grants or capital contributions

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

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

<u>Fiscal Year</u>	<u>Population</u>		<u>Per Capita Income (1)</u>	<u>Median Age (4)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (1)</u>
1999	54,523	(3)	25,099	N/A	13,733	2.5%
2000	59,607	(4)	26,441	34.8	13,335	2.0%
2001	60,318	(5)	27,175	34.8	13,033	3.1%
2002	61,435	(5)	28,155	34.8	12,832	2.9%
2003	62,552	(5)	29,117	34.8	12,657	3.7%
2004	64,021	(5)	31,372	34.8	12,914	3.3%
2005	65,891	(5)	32,811	34.8	12,932	3.7%
2006	67,447	(5)	34,152	34.8	13,018	3.1%
2007	69,242	(5)	36,425	34.8	12,773	2.9%
2008	70,092	(5)	N/A	34.8	13,116	4.0%

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

(2) Rapid City Independent School District

(3) Official 1990 Census

(4) Official 2000 Census

(5) Estimate provided by the City Transportation Planner

N/A Not available

CITY OF RAPID CITY
 PRINCIPAL EMPLOYERS (UNAUDITED)
 DECEMBER 31, 2008

Employer	Employees	Rank	Percentage of Employed Work Force
Ellsworth AFB	3,595	1	5.69%
Rapid City Regional Hospital	2,650	2	4.19%
Federal Government	2,632	3	4.16%
Black Hills Corporation	2,160	4	3.42%
Rapid City Area School District	1,666	5	2.64%
City of Rapid City	1,520	6	2.41%
State of South Dakota	1,090	7	1.72%
SD Army National Guard	1,013	8	1.60%
Walmart/Sam's Club	857	9	1.36%
<u>Pennington County</u>	<u>612</u>	<u>10</u>	<u>0.97%</u>
	17,795		28.16%

Source: Rapid City Economic Development Partnership

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

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

Based on Permanent Budgeted Employees

CITY OF RAPID CITY
MISCELLANEOUS STATISTICS (UNAUDITED)
DECEMBER 31, 2008

Date of Incorporation - February 1883

Form of Government - Mayor/Council

Area - Square Miles - 53.87

Miles of Streets - 393.18

Number of Street Lights - 4241

Fire Protection

Number of Stations - 7

Number of Firefighters and Officers (including EMS) - 127

Number of Fire Hydrants - 3,845

Police Protection

Number of Stations - 1

Number of Police Officers - 107

Education (Elementary Only)

Attendance Centers - 15

Number of Students - 6105

Municipal Water Department

Number of Residential Consumers - 21,159

Average Residential Monthly Consumption - 6,306 gallons

Miles of Water Mains - 406.3

Sewers

Miles of Sanitary Sewer - 326.9

Miles of Storm Sewer - 122

Building Permits Issued (including remodeling and repair) - 2917

Culture and Recreation

Number of Parks - 30 (consisting of 1,650 acres)

Number of Libraries - 2

Number of Volumes - 147,000

City Employees - 714.25

Total Salaries - \$31,138,695

CITY OF RAPID CITY
SURETY BONDS (UNAUDITED)
DECEMBER 31, 2008

Finance Officer

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

Additional Coverage

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



Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards*

To the City Council
City of Rapid City, South Dakota

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of City of Rapid City (the City), South Dakota, as of and for the year ended December 31, 2008 and have issued our report thereon dated October 26, 2009. 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 material misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2008-1, 2008-3 and 2008-4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1, 2008-3 and 2008-4 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 is described in the accompanying schedule of findings and questioned costs as item 2008-2.

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

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

A handwritten signature in blue ink that reads "Casey Peterson & Associates, LLC". The signature is written in a cursive, flowing style.

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota
October 26, 2009



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

To the City Council
City of Rapid City, South Dakota

Compliance

We have audited the compliance of City of Rapid City (the City), South Dakota with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-5 and 2008-6 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2008-5 and 2008-6 to be material weaknesses.

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

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

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

Casey Peterson & Associates, Ltd.

Rapid City, South Dakota
October 26, 2009

**CITY OF RAPID CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>CFDA NUMBERS</u>	<u>AMOUNT</u>
U.S. Department of Housing and Urban Development:		
<i>Direct Federal Funding:</i>		
Community Development Block Grant/Entitlement (Note 2)	14.218	496,921.30
U.S. Department of the Interior:		
<i>Pass-Through the S.D. Department of Tourism and State Development</i>		
Historic Preservation Fund Grant-in-Aid	15.904	4,249.59
U.S. Department of Justice:		
<i>Direct Federal Funding:</i>		
Edward Byrne Mem. Law Enforcement Assistance Discretionary Grants Program	16.580	67,761.52
Bullet Proof Vest Partnership Program	16.607	7,491.00
Public Safety Partnership and Community Policing Grant	16.710	5,356.55
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19,660.00
<i>Pass-Through the S.D. Department of Highway Safety:</i>		
Enforcing Underage Drinking Laws Program	16.727	3,200.00
Total U.S. Department of Justice		103,469.07
U.S. Department of Transportation:		
<i>Pass-Through the S.D. Department of Transportation:</i>		
Airport Improvement Program	20.106	2,074,357.31
Highway Planning and Construction	20.205	431,542.08
Federal Transit - Metropolitan Planning Grants	20.505	92,559.17
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	36,808.40
Serious Traffic Offender Programs	20.608	86,247.06
<i>Direct Federal Funding:</i>		
Federal Transit - Capital and Operating Assistance Federal Grant	20.507	1,818,365.00
Total U.S. Department of Transportation		4,539,879.02
U.S. General Services Administration:		
<i>Pass-through the S.D. Federal Property Agency:</i>		
Donation of Federal Surplus Property	39.003	9,063.00
National Foundation of the Arts and Humanities:		
<i>Pass-Through the S.D. Arts Council</i>		
Promotion of the Arts and Humanities Grant	45.025	3,390.00
U.S. Environmental Protection Agency:		
<i>Direct Federal Funding:</i>		
Air Quality Grant Performance Partnership Grant	66.605	28,189.07
Total U.S. Environmental Protection Agency		28,189.07
U.S. Department of Health and Human Services:		
<i>Pass-Through the S.D. Department of Health</i>		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	47,075.00
Corporation for National and Community Service:		
<i>Direct Federal Funding:</i>		
Retired and Senior Volunteer Program	94.002	57,895.53
U.S. Department of Homeland Security:		
<i>Pass-Through the S.D. Department of Public Safety:</i>		
HLS Training	97.067	11,068.16
Total U.S. Department of Homeland Security		11,068.16
Total		\$5,301,199.74

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:

Wellspring Inc	34,908.00
Western Resources for Dis-abled Independence	14,685.14
Teton Housing Coalition	27,700.00
SP Elderly Handicapped	70,000.00
Stepping Stones - Lutheran Social Services	59,200.00
Behavior Management Systems	44,166.28
Women Against Violence	4,908.00
Oglala Lakota College	-
Salvation Army	21,110.61
Youth & Family Services	10,271.99
	<u>286,950.02</u>

City of Rapid City, South Dakota
Schedule of Findings and Questioned Costs
December 31, 2008

SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS

- a. The independent auditors' report expressed an unqualified opinion on the financial statements of the City of Rapid City, South Dakota.
- b. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The following significant deficiencies are considered material weaknesses: 2008-1, 2008-3 and 2008-4.
- c. Noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, is disclosed within this schedule as item 2008-2.
- d. The independent auditors' report on compliance for the major federal award programs for City of Rapid City expresses an unqualified opinion on all major federal programs.
- e. Significant deficiencies in internal control related to major federal programs were reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. The significant deficiencies reported as findings 2008-5 and 2008-6 are reported as material weaknesses.
- f. Audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in this schedule.
- g. The federal awards tested as major programs were:

CFDA Numbers	Name of Federal Program
1. 20.507	Federal Transit Formula Grants
2. 20.106	Airport Improvement Program
3. 20.205	Highway Planning and Construction
4. 14.218	Community Development Block Grant
- h. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$300,000.
- i. City of Rapid City did not qualify as a low-risk entity.

City of Rapid City, South Dakota
Schedule of Findings and Questioned Costs
December 31, 2008

FINDINGS - FINANCIAL STATEMENTS AUDIT

2008-1 *Condition and Criteria:* Year-end journal entries, supporting schedules, and the financial statements are prepared by the Assistant Finance Manager which are then reviewed and approved by the Finance Officer. However, there is not a formal process whereby this information is analyzed or examined in detail by someone not involved in the preparation process to identify misstatements. Such procedures should be incorporated into the year-end close process to identify and prevent misstatements. The Assistant Finance Manager is primarily responsible for these functions and limited involvement by other staff has resulted in a lack of segregation of duties, related to year-end journal entries, certain reconciliations, and the financial statements.

Effect: The audit identified and corrected the following material misstatements and this condition also results in an increased risk of errors in reporting requirements applicable to federal awards:

- Misstatements related to recording accruals for interest on long-term debt, accounts payable, accounts receivable related to internal services funds, grants, and property taxes, and accruals related to health insurance incurred but not reported claims.
- As a result of the misstatements identified above, and as a result of the schedule of federal expenditures being reported based on revenues rather than expenditures, certain amounts reported in the schedule of federal awards were incorrect.
- Misstatements related to the accounting for capital assets and in applying payments on the arbitrage liability.
- Misstatements due to missing note disclosures in the financial statements and the presentation of other items in the financial statements such as capital asset activity, long-term debt activity, and the classification of transactions such as transfers across funds.

Cause: Although the aforementioned information is reviewed and approved by the Finance Officer, the concentration of responsibilities within the City finance office does not provide for a detailed analysis and examination of the year-end reconciliations, journal entries, and the financial statements. Limited staff in the finance office available to assist in the year-end close process is also a factor in this lack of segregation of duties.

Auditors' Recommendation: The City should implement a system of internal controls whereby the year-end work performed by the Assistant Finance Manager is analyzed and examined in detail. In addition, other finance office personnel need to become more involved in the year-end reporting process which would allow the Assistant Finance Manager to retain a supervisory role in the process and allow the Assistant Finance Manager to perform a detailed analysis and examination of all year-end information including the financial statements.

2008-2 *Condition and Criteria:* During our review of statutory compliance we noted that the City over-expended the budgeted appropriations for departments within several funds. According to SDCL 9-21-9, expenditures are limited to the amount appropriated for such purposes in the annual appropriation ordinance.

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

City of Rapid City, South Dakota
Schedule of Findings and Questioned Costs
December 31, 2008

Cause: The City Council approves supplement appropriations in early December. However, due to timing differences, necessary expenditures may be approved by the City Council which were not included in the final year-end supplement appropriation. Accordingly, budget overdrafts for such items as bond issuance costs; interest payments, the completion of capital outlay projects that were initially budgeted under "Capital Outlay" and subsequently transferred to another fund, payments to developers for receipt of property taxes collected for tax increment districts, have occurred.

Auditors' Recommendation: We recommend that the City continue to evaluate compliance with the budget prior to year-end and make budget amendments considered necessary, as done in prior years. In addition, during this process consideration should be given to such items that create timing differences between the final supplement appropriation amounts and the actual annual expenditures such as outstanding purchase orders at the time the final supplement appropriation is approved.

2008-3 *Condition and Criteria:* The City does not have adequate cutoff procedures that ensure the identification and recording of revenues and expenses that should be accrued at year-end. We noted several cash receipts and subsequent cash disbursements that were not properly reported as receivables and accounts payable, respectively, at year-end. In addition, we noted unrecorded receivables related to cost reimbursement grants and incorrect revenue recognition related to grants and property taxes.

Effect: Audit adjustments were proposed to record additional accounts payable at year-end. In addition, receivable and revenues related to items such as grants, credit card sales, and property taxes were not properly recognized resulting in passed adjustments or proposed audit adjustments. This control weakness also increases the risk of errors associated with reporting requirements under federal awards.

Cause: The City did not receive notice of such revenues prior to receiving bank statements and an analysis was not performed at year-end to identify cash receipts that should have been recorded as receivables at year-end. In addition, there currently is not a procedure in place to ensure that expenditures on cost reimbursement grants are reconciled to revenues recorded on the general ledger. Deferred revenue on grants and property taxes are also not adequately analyzed at year-end. Procedures to identify additional accounts payable at year-end are not adequate. These conditions also exist due to a lack of communications between the Finance Office and other departments of the City.

Auditors' Recommendation: We recommend the City require departments to submit revenue reports to the Finance Office at year-end detailing the revenues received during the month which can be compared to the general ledger. Bank statements should also be reviewed at the year-end to ensure all revenues are captured in the correct period. At the end of each year expenditures under cost reimbursement grants should be reconciled to revenues recorded on the general ledger to ensure all receivables are recorded. Cash receipts on grants and other payments received subsequent to year-end should then be analyzed to determine the amount of deferred revenue that should be recorded. Correspondence with third parties, such as property tax statements from the county, should be reconciled with the corresponding amounts recorded for deferred revenue, accounts receivable and total revenue. In addition, as invoices are entered into the accounts payable module at year-end, procedures should be in place to identify all amounts related to the prior fiscal year and journal entries should be recorded as necessary to record the expenditures in the correct period.

City of Rapid City, South Dakota
Schedule of Findings and Questioned Costs
December 31, 2008

2008-4 *Condition and Criteria:* The City has a lack of segregation of duties related to Ambulance Fund cash receipts cycle. Currently the same individuals are allowed to process cash receipts, apply payments to accounts and make adjustments to accounts receivable. Adequate internal control procedures over cash receipts would separate these incompatible functions.

Effect: There is a risk that intentional or unintentional errors could occur related to the cash receipts and billing cycle of the Ambulance Fund that would not be prevented or detected.

Cause: Current procedures allow the same individuals to process cash receipts, post cash receipts, and make adjustments to Ambulance Fund accounts receivable ledgers. Limited staff available to assist with the cash receipts process has also caused this lack of segregation of duties.

Auditors' Recommendation: We recommend the City review the cash receipts and billing procedures related to the Ambulance Fund and segregate all incompatible duties. For example, the City should assign the responsibility of collecting cash receipts and maintaining the cash receipts ledger to an individual who does not have access to the billing function. The list prepared by this individual should be used to post payments to accounts receivable, thus not giving individuals with the responsibility of billing, applying payments, or making adjustments to patient accounts access to cash receipts. In addition, the daily deposits should be compared to the cash receipts ledger on a daily basis to ensure all cash receipts were properly deposited.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF TRANSPORTATION AND U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Airport Improvement Program (CFDA # 21.106), Federal Transit Formula Grants (CFDA # 20.507), Highway Planning and Construction (CFDA #20.205), Community Development Block Grant (CFDA# 14.218)

2008-5 See Finding 2008-1 for a description of the condition, criteria, effect, cause, and auditors' recommendation.

2008-6 See Finding 2008-3 for a description of the condition, criteria, effect, cause, and auditors' recommendation.

City of Rapid City, South Dakota
Corrective Action Plan
December 31, 2008

The City of Rapid City, South Dakota respectfully submits the following corrective action plan for the year ended December 31, 2008.

Name and address of independent public accounting firm:

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

The findings from the December 31, 2008 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. James F. Preston, Finance Officer, is responsible for corrective action of the findings disclosed within this document.

US DEPARTMENT OF TRANSPORTATION

2008-1 *Condition and Criteria:* Year-end journal entries, supporting schedules, and the financial statements are prepared by the Assistant Finance Manager which are then reviewed and approved by the Finance Officer. However, there is not a formal process whereby this information is analyzed or examined in detail by someone not involved in the preparation process to identify misstatements. Such procedures should be incorporated into the year-end close process to identify and prevent misstatements. The Assistant Finance Manager is primarily responsible for these functions and limited involvement by other staff has resulted in a lack of segregation of duties, related to year-end journal entries, certain reconciliations, and the financial statements.

Auditors' Recommendation: The City should implement a system of internal controls whereby the year-end work performed by the Assistant Finance Manager is analyzed and examined in detail. In addition, other finance office personnel need to become more involved in the year-end reporting process which would allow the Assistant Finance Manager to retain a supervisory role in the process and allow the Assistant Finance Manager to perform a detailed analysis and examination of all year-end information including the financial statements.

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

2008-2 *Condition and Criteria:* During our review of statutory compliance we noted that the City over-expended the budgeted appropriations for departments within several funds. According to SDCL 9-21-9, expenditures are limited to the amount appropriated for such purposes in the annual appropriation ordinance.

Auditors' Recommendation: We recommend that the City continue to evaluate compliance with the budget prior to year-end and make budget amendments considered necessary, as done in prior years. In addition, during this process consideration should be given to such items that create timing differences between the final supplement appropriation amounts and the actual annual expenditures such as outstanding purchase orders at the time the final supplement appropriation is approved.

City of Rapid City, South Dakota
Corrective Action Plan
December 31, 2008

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

- 2008-3 *Condition and Criteria:* The City does not have adequate cutoff procedures that ensure the identification and recording of revenues and expenses that should be accrued at year-end. We noted several cash receipts and subsequent cash disbursements that were not properly reported as receivables and accounts payable, respectively, at year-end. In addition, we noted unrecorded receivables related to cost reimbursement grants and incorrect revenue recognition related to grants and property taxes.

Auditors' Recommendation: We recommend the City require departments to submit revenue reports to the Finance Office at year-end detailing the revenues received during the month which can be compared to the general ledger. Bank statements should also be reviewed at the year-end to ensure all revenues are captured in the correct period. At the end of each year expenditures under cost reimbursement grants should be reconciled to revenues recorded on the general ledger to ensure all receivables are recorded. Cash receipts on grants and other payments received subsequent to year-end should then be analyzed to determine the amount of deferred revenue that should be recorded. Correspondence with third parties, such as property tax statements from the county, should be reconciled with the corresponding amounts recorded for deferred revenue, accounts receivable and total revenue. In addition, as invoices are entered into the accounts payable module at year-end, procedures should be in place to identify all amounts related to the prior fiscal year and journal entries should be recorded as necessary to record the expenditures in the correct period.

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

- 2008-4 *Condition and Criteria:* The City has a lack of segregation of duties related to Ambulance Fund cash receipts cycle. Currently the same individuals are allowed to process cash receipts, apply payments to accounts and make adjustments to accounts receivable. Adequate internal control procedures over cash receipts would separate these incompatible functions.

Auditors' Recommendation: We recommend the City review the cash receipts and billing procedures related to the Ambulance Fund and segregate all incompatible duties. For example, the City should assign the responsibility of collecting cash receipts and maintaining the cash receipts ledger to an individual who does not have access to the billing function. The list prepared by this individual should be used to post payments to accounts receivable, thus not giving individuals with the responsibility of billing, applying payments, or making adjustments to patient accounts access to cash receipts. In addition, the daily deposits should be compared to the cash receipts ledger on a daily basis to ensure all cash receipts were properly deposited.

City of Rapid City, South Dakota
Corrective Action Plan
December 31, 2008

Action Taken: The Finance Office will work with the Fire Chief and the Patient Billing Services Manager to establish proper cash receipts and billing procedures related to the Ambulance Fund so that incompatible duties are segregated. In addition, the Finance Office will request that the Ambulance department compare daily deposits to the cash receipts ledger on a daily basis to ensure all cash receipts were properly deposited. The City Finance Officer is responsible for this corrective action plan.

2008-5 See Finding 2008-1 for a description of this finding and the City's corrective action.

2008-6 See Finding 2008-3 for a description of this finding and the City's corrective action.

City of Rapid City, South Dakota
Summary of Prior Audit Findings
December 31, 2008

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

2007-1 *Condition and Criteria:* The City does not have a proper system of internal controls to review year-end journal entries and reconciliations. During our review of year-end journal entries and reconciliations, we noted that the adjustments and supporting schedules prepared by the assistant finance manager during the year-end closing process are not reviewed or approved by anyone. We noted the need for review and approval in the preparation of the financial statements, the determination and adjustment of landfill post closure costs, the reconciliations of property and equipment and long term liabilities, and the preparation of year-end accruals.

Auditors' Recommendation: the City should implement a system of internal controls whereby the year-end work performed by the Assistant Finance Manager is reviewed, or other finance office personnel need to become more involved in the year-end reporting process which would allow the assistant finance manager to retain a supervisory role in the process.

Current Status: This finding is identical to finding 2008-1 and has not been resolved.

2007-2 *Condition and Criteria:* During our review of statutory compliance we found the City in violation of a state statute. It was noted that the City over-expended the budgeted appropriations for several departments and several funds. According SDCL 9-21-9, expenditures are limited to appropriated amounts and the amount spent for any purpose or department shall not exceed the amount appropriated for such purposes in the annual appropriation ordinance.

Auditors' Recommendation: The City should implement a system of internal controls whereby the year-end work performed by the Assistant Finance Manager is reviewed, or other finance office personnel need to become more involved in the year-end reporting process which would allow the Assistant Finance Manager to retain a supervisory role in the process.

Current Status: This finding is identical to finding 2008-2 and has not been resolved.

2007-3 This finding is identical to finding 2007-1. See finding 2007-1 for current status.

2006-2 *Condition and Criteria:* The City, a pass-through entity for certain federal grants, has several compliance requirements under OMB Circular A-133. These compliance requirements include award identification, monitoring, and subrecipients' audits. No noncompliance was identified, however it was noted that the City does not have a formal internal control process to identify all subgrants or to determine that sub-recipient requirements are met.

Auditors' Recommendation: The City should establish an internal control process to identify all subgrants. Monitoring procedures should be established to ensure all sub-recipient requirements are met.

Current Status: This finding has been resolved.