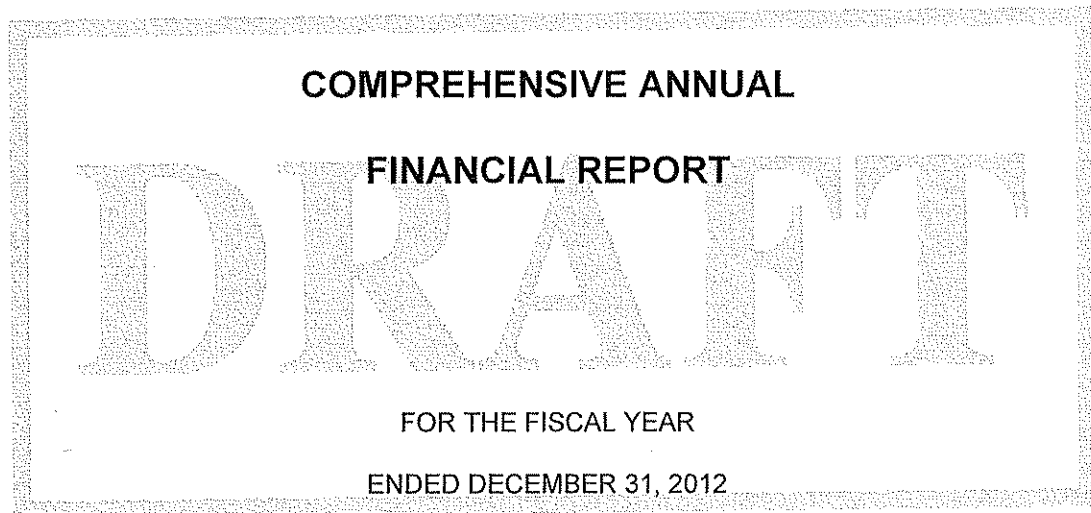


**CITY OF RAPID CITY,
SOUTH DAKOTA**



PREPARED BY:
DEPARTMENT OF FINANCE
PAULINE SUMPTION, FINANCE OFFICER

CITY OF RAPID CITY, SOUTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

300 Sixth Street

Rapid City, South Dakota 57701-5035

605-394-4143

September 23, 2013

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, 2012 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 organizational chart, and this letter of transmittal.
2. The Financial Section includes the general purpose financial statements accompanied by our independent auditor's opinion. It also includes required and other supplementary statements.
3. The Statistical Section includes tables of unaudited data depicting the financial history of the government for the past ten (10) years, information on overlapping governments, demographics, and other miscellaneous information.
4. The Single Audit Section includes the Schedule of Expenditures of Federal Awards. Also included are various auditor reports in regards to compliance and internal controls.

This Financial Report includes all funds of the City. The City provides a full range of services, including police and fire protection, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning,




and general administrative services. The City also operates water and wastewater treatment facilities and other enterprises. The City Council exercises oversight authority over an Airport Board, a Civic Center Board and a Library Board; therefore, these activities are included in the report.

Annual audits of the books of account, financial records, and transactions of the administrative departments of the City are conducted by the State of South Dakota Department of Legislative Audit or by independent certified public accountants selected by the City Council, which for 2012 was Ketel, Thorstenson, LLP. The independent certified public accountants' unqualified opinion has been included with this report.

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

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

Respectfully submitted,



Pauline Sumption
Finance Officer

DRAFT

CITY OF RAPID CITY
ELECTED OFFICIALS AND PRINCIPAL OFFICERS
DECEMBER 31, 2012

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, 2012 were as follows:

<u>ELECTIVE OFFICIALS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Sam Kooiker	Mayor	2013
Bill Clayton	Council Representative	2014
Charity Doyle	Council Representative	2013
Ritchie Nordstrom	Council Representative	2013
Steve Laurenti	Council Representative	2014
Chad Lewis	Council Representative	2014
Jerry Wright	Council Representative	2013
Amanda Scott	Council Representative	2014
John B Roberts	Council Representative	2013
Bonny Petersen	Council Representative	2014
Ron Sasso	Council Representative	2013

PRINCIPAL OFFICERS

Airport Manager	Cameron Humphres
City Attorney	Joel Landeen
Building Inspector	Brad Solon
Civic Center Director	Brian Maliske
Community Planning and Development Service Director	Brett Limbaugh
Finance Officer	Pauline Sumption
Assistant Finance Officer	Vacant
Fire Chief	Mike Maltaverne
Library Director	Greta Chapman
Parks and Recreation Director	Jeff Biegler
Community Resources Director	Jeff Barbier
Police Chief	Steve Allender
Public Works Director	Terry Wolterstorff
Street Superintendent	Don Brumbaugh
Sanitation Superintendent	Karl Merbach
Water Superintendent	John Wagner
Water Reclamation Superintendent	Dave VanCleave

CITY OF RAPID CITY
APPOINTED BOARDS
December 31, 2012

LIBRARY BOARD – 3 YEAR TERMS

TERM EXPIRES

James Olson, Chairperson	December 2013
Rod Pettigrew	December 2014
Maryanne Rohrer	December 2014
Richard Haeder	December 2012
Monte Loos	December 2013

CIVIC CENTER BOARD – 3 YEAR TERMS

Rich Huffman, Chairman	January 2013
John Herr	January 2014
Jeff Bailie	January 2015
Chris Haugo	January 2014
Al Cornella	January 2015

AIRPORT BOARD – 5 YEAR TERMS

Lisa Modrick, President	May 2013
Dick McConnell	May 2013
Charlie Summers	May 2015
Ron Johnsen	May 2013
Ray Carpenter	May 2015

PLANNING COMMISSION – 3 YEAR TERMS

John Brewer, Chairman	July 2013
Dennis Popp	July 2015
Kay Rippentrop	July 2014
Linda Marchand	July 2013
Steve Rolinger	July 2014
Andy Scull	July 2013
Erik Braun	July 2015
Carlos Beatty, Jr.	July 2013
Jan Swank	July 2014
Josh Snyder	July 2013
Tim Rose	July 2015
Sandra Beshara	July 2013

CITY OF RAPID CITY
 ORGANIZATIONAL CHART
 DECEMBER 31, 2012

CITIZENS ELECTORATE OF RAPID CITY, SOUTH DAKOTA
CITY COUNCIL

MAYOR
 Sam Kooiker

Library Board
 Jim Olson, Chairperson

Civic Center Board
 Rich Huffman, Chairman

Library Director
 Greta Chapman

Civic Center Director
 Brian Maliske

Planning Commission
 John Brewer, Chairman

Airport Board
 Lisa Modrick, President

Community Planning and Development
Director
 Brett Limbaugh

Airport Manager
 Cameron Humphres

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

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DRAFT



Ketel Thorstenson, LLP

Certified Public Accountants/Business & Personal Consultants

810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: ktllp@ktllp.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 the City of Rapid City (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rapid City, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

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

Report on Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements, budgetary comparison schedules, schedules of funding progress for retiree health insurance coverage and statistical section on pages i through viii, pages 67 through 87, pages 88 through 131, page 63, and pages 132 through 152, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* on page ___ is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, except for the introductory section and statistical section, is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

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

KETEL THORSTENSON, LLP
Certified Public Accountants

DATE

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, 2012. 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 \$641,080,888.31 (Net position). Of this amount, \$103,561,588.54 (unrestricted net position) 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 position increased by \$40,965,009.17 during 2012.
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$66,546,204.10.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,420,590.53 or about forty-four percent (44%) of total general fund expenditures.
- The City of Rapid City's total debt decreased by \$9,006,470.90 during the current fiscal year after taking into account the other post-employment benefit liability. \$8,297,478.00 of the decrease is due to the payment of government activity revenue bonds, and a decrease of \$774,391.18 due to the payment of business activity revenue bonds and leases. The remainder of the decrease is primarily due to the payment of tax increment district financing.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Rapid City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, water reclamation, airport and civic center which are considered to be major funds of the City of Rapid City. Data from the other ten 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 27-56 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 57-63.

Other Information. The supplementary combining statements referred to earlier in connection with non-major governmental and proprietary funds and internal service funds and its budgetary comparison schedules are presented immediately following the required supplementary information can be found on pages 64-119 of this report.

Government-wide Financial Analysis

As noted earlier, net position 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 \$639,097,290.16 at the close of the most recent fiscal year.

By far the largest portion of the City of Rapid City’s total assets (82.1%) 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 position.

CITY OF RAPID CITY'S NET POSITION

(in thousands)

	Government		Business-type		Total	
	Activities		Activities			
	2011	2012	2011	2012	2011	2012
Current and Other Assets	\$ 72,577	\$ 79,784	\$ 88,984	\$ 74,713	\$ 161,561	\$ 154,497
Capital Assets	265,260	267,157	339,736	373,910	604,996	641,067
Total Assets	337,837	346,940	428,720	448,623	766,557	795,564
Long-term liabilities outstanding	47,053	39,702	87,462	86,648	134,515	126,349
Other liabilities	21,264	18,050	10,744	10,084	32,008	28,134
Total liabilities	68,317	57,751	98,206	96,731	166,523	154,483
Net position:						
Invested in capital assets, net of related debt	208,837	219,642	286,399	301,033	495,237	520,675
Restricted	9,046	10,184	9,062	6,660	18,108	16,844
Unrestricted	51,718	59,363	35,053	44,199	86,771	103,562
Total net position	\$ 269,601	\$ 289,189	\$ 330,515	\$ 351,892	\$ 600,116	\$ 641,081

A portion of the City of Rapid City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$103,561,588.54) 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 position, 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 Position
(In Thousands)**

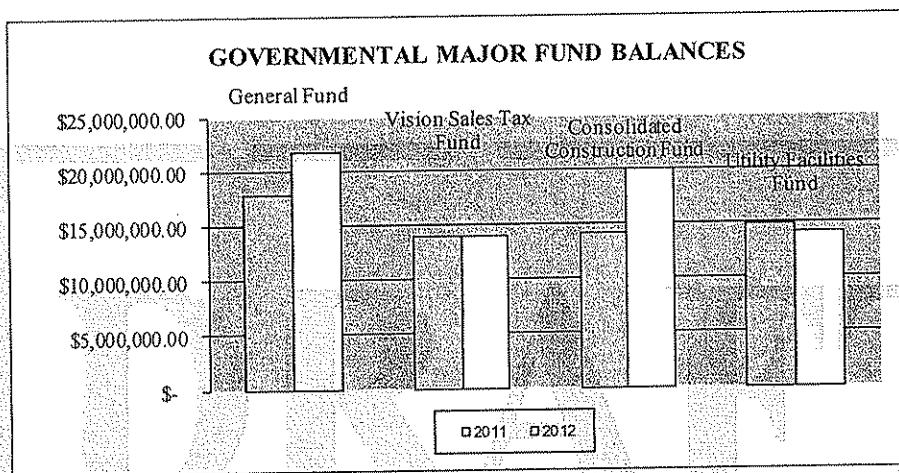
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program Revenues						
Charges for services	\$ 6,764	\$ 7,094	\$ 48,712	\$ 53,102	\$ 55,477	\$ 60,196
Operating grants & contributions	3,105	2,968	-	-	3,105	2,968
Capital grants and contributions	2,317	8,637	10,690	3,560	13,007	12,197
General Revenues						
Property taxes	21,643	19,986	-	-	21,643	19,986
Other taxes	48,044	50,785	3,440	3,757	51,484	54,541
State/County shared revenue	1,556	1,732	-	-	1,556	1,732
Unrestricted investment earnings	2,218	1,062	1,506	508	3,724	1,570
Other	86	1,304	58	665	144	1,970
Total Revenues	85,733	93,568	64,406	61,592	150,139	155,159
Expenses:						
General government	2,930	3,579	-	-	2,930	3,579
Public safety	20,831	22,275	-	-	20,831	22,275
Public works	18,456	18,506	-	-	18,456	18,506
Health and welfare	2,961	3,075	-	-	2,961	3,075
Conservation & development	3,478	10,656	-	-	3,478	10,656
Culture & recreation	9,762	3,702	-	-	9,762	3,702
Interest on long-term debt	5,722	3,248	-	-	5,722	3,248
Miscellaneous	1,483	1,841	-	-	1,483	1,841
Water reclamation	-	-	7,168	9,070	7,168	9,070
Water	-	-	10,258	7,215	10,258	7,215
Golf	-	-	1,320	7,081	1,320	7,081
Recycling	-	-	2,938	3,127	2,938	3,127
Executive Golf	-	-	214	2,795	214	2,795
Airport	-	-	6,951	9,841	6,951	9,841
Waste collection	-	-	1,926	2,034	1,926	2,034
Waste disposal	-	-	2,635	209	2,635	209
Civic center	-	-	9,798	287	9,798	287
Cemetery	-	-	255	1,421	255	1,421
Parking	-	-	681	628	681	628
Energy plant	-	-	294	339	294	339
Transportation terminal	-	-	147	3,033	147	3,033
Ambulance	-	-	2,728	233	2,728	233
Total Expenses	65,623	66,882	47,314	47,313	112,937	114,194
Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers	20,110	26,686	17,092	14,279	37,202	40,965
Fund Transfers	(6,479)	(7,098)	6,479	7,098	-	-
Change in Net Position	13,631	19,588	23,571	21,377	37,202	40,965
Net Position-Beginning	251,460	269,601	306,944	330,515	558,404	600,116
Prior Period Adjustment	4,510	-	-	-	4,510	-
NET POSITION - ENDING	\$ 269,601	\$ 289,189	\$ 330,515	\$ 351,892	\$ 600,116	\$ 641,081

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.

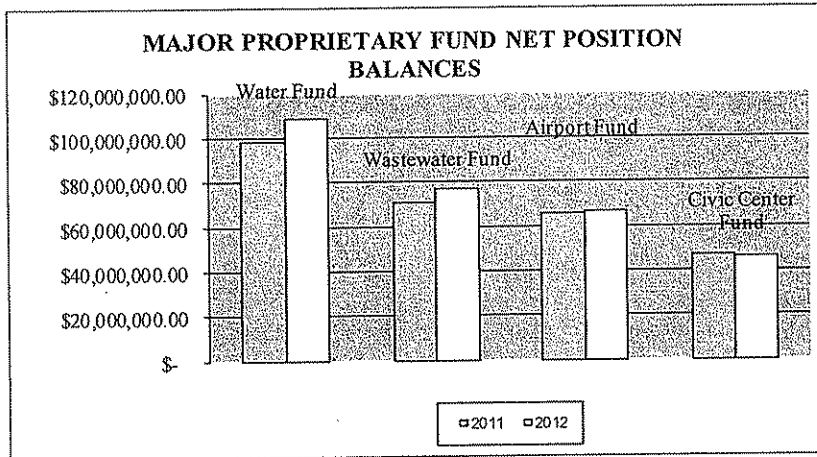
At the end of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$66,546,204.10. Approximately 21% of this total amount (\$14,235,226.54) constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as 1) nonspendable (for inventories, notes receivable, advances to other funds, and perpetual care cemetery endowment of \$8,091,185.53), 2) restricted (for debt service, perpetual care cemetery, library, business improvement districts and grants of \$3,311,503.24), 3) Committed (for capital replacements, Vision Fund, consolidated construction and erosion and sediment control funds of \$40,352,423.79.), 4) Assigned (for next year's appropriations for \$555,865.00).

The General Fund balance increased by \$3,885,374.80 in 2012, which was primarily due to an increase in property and sales taxes (\$1,592,603.79). The Vision Sales Tax Fund balance increased \$60,056.61. The Consolidated Construction Fund balance increased by \$5,849,880.68 due to a \$6,000,000 State grant. The Utility Facilities Fund balance decreased \$545,119.37 due to additional debt service payments (\$223,367.11) and a decrease in interest earnings (\$162,972.05).



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 position in the respective proprietary funds are water - \$5,712,344.50, wastewater - \$10,192,465.91, airport - \$5,191,858.08, civic center - \$1,235,707.33, waste collection - \$2,471,364.95, waste disposal - \$5,635,014.47, waste recycling - \$9,454,160.43, executive golf - \$22,009.62, cemetery - \$17,707.62, golf - (\$74,114.65), parking lot - \$801,504.08, energy plant - (\$246,025.01) ambulance - \$2,654,538.97 and transportation terminal - \$131,151.89. Eleven funds had increases in net assets in 2012 and those increases are as follows: water - \$10,386,055.50, wastewater - \$6,319,255.18, airport - \$1,159,907.59, waste collection - \$413,729.87, waste disposal - \$371,402.40, waste recycling - \$1,448,124.06, executive golf - \$433,047.42, golf course - \$57,548.54, parking - \$108,322.46, energy plant - \$1,750,689.86 and ambulance - \$210,203.16. Three funds had decreases in net assets. These decreases are as follows: civic center - (\$801,133.55), cemetery - (\$81,261.07) and transportation terminal (\$170,449.48).



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 2012 the City of Rapid City spent \$353,563.39 less than the budgeted amount in the General Fund Police, \$263,670.06 less than the budgeted amount in the General Fund Fire and \$278,283.94 less than the budgeted amount in the General Fund Parks. This is due primarily to not being fully staffed and not purchasing as many supplies and equipment as was anticipated. Also in 2012 the City of Rapid City spent \$1,029,447.61 less than the budgeted amount in General Fund Highways and Streets, \$147,378.42 less than budgeted in the General Fund Public Works Administration, \$180,424.95 less than budgeted in the General Fund Transportation Planning and \$2,187,308.36 in General Fund Capital Outlay. This is primarily due to not completing as many projects or purchasing as much equipment as was originally anticipated.

Capital Asset and Debt Administration

Capital Assets. The City of Rapid City’s net investment in capital assets for its governmental and business type activities as of December 31, 2012 amounts to \$520,675,338.39 (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: Performing Arts Facility; land and structure acquisition for the Fire Department for a future new Station #1; Jackson Springs Water Treatment Plan; Airport main terminal expansion and Taxiway A relocation; infrastructure improvements; replacement of multiple vehicles and large pieces of equipment.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Land and land improvements	\$ 41,977	\$ 42,976	\$ 15,780	\$ 15,806	\$ 57,757	\$ 58,782
Buildings	66,417	71,703	141,303	141,916	207,721	213,618
Improvements	262,645	276,767	262,404	292,411	525,049	569,178
Machinery and equipment	26,572	27,694	24,729	24,813	51,301	52,507
Construction in Progress	14,027	9,081	47,586	61,126	61,613	70,207
Total	411,637	428,221	491,803	536,072	903,441	964,293
Less accumulated depreciation	(146,377)	(161,064)	(152,067)	(162,162)	(298,445)	(323,226)
Total capital assets	\$ 265,260	\$ 267,157	\$ 339,736	\$ 373,910	\$ 604,996	\$ 641,067

Long-term debt.

Government activities: \$ 51,490,628.90
 Business-type activities 90,047,931.19
 \$141,538,560.09

Current portion \$ 15,189,427.87

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

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenue Bonds	\$ 22,351	\$ 14,515	\$ 81,239	\$ 78,660	\$ 103,590	\$ 93,175
Unamortized Premium	598	137	(705)	(689)	(107)	(552)
Revolving Loan	-	-	5,092	7,405	5,092	7,405
Landfill Closure	-	-	1,381	1,429	1,381	1,429
Tax Increment Financing	32,531	32,203	-	-	32,531	32,203
Lease/Purchase	942	659	2,151	1,626	3,093	2,285
Other Post Employment Benefits	1,667	1,968	655	754	2,322	2,722
Compensated Absences	1,837	2,008	806	862	2,643	2,870
Total	\$ 59,926	\$ 51,490	\$ 90,619	\$ 90,047	\$ 150,545	\$ 141,537

The City of Rapid City maintains an AAA to Baa2 rating from Moody's on all of its revenue debt.

State statute limits the amount of general obligation debt a South Dakota city may issue to assessed value of taxable property. The current debt limitation for the City of Rapid City is \$1,053,691,745. \$89,968,951 of the City's outstanding debt is counted within the statutory limitation although the debt is wholly or partially financed by revenues other than a general tax levy.

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

Known fact, decisions or conditions.

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

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

**CITY OF RAPID CITY
STATEMENT OF NET POSITION
DECEMBER 31, 2012**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
ASSETS:				
Cash & Cash Equivalents	\$ 30,759,074.47	\$ 26,402,674.64	\$ 57,161,749.11	\$ 69,360.00
Investments (see Note 1C)	29,040,082.72	13,360,673.71	42,400,756.43	-
Accounts Receivable, Net	14,181,163.27	7,084,789.46	21,265,952.73	8,959.00
Internal Balances (see Note 5)	(1,045,639.74)	1,045,639.74	-	-
Other Assets	691,607.13	235,686.55	927,293.68	166,508.00
Deferred Charges	135,670.00	778,133.98	913,803.98	5,651.00
Restricted Assets:				
Cash with Fiscal Agent (see Note 1C)	5,808,208.84	24,376,421.00	30,184,629.84	-
Restricted Cash (see Note 15)	213,485.64	1,429,393.08	1,642,878.72	132,507.00
Capital Assets (see Note 2):				
Land and Construction in Progress	52,056,968.28	76,931,677.24	128,988,645.52	-
Other Capital Assets, Net of Depreciation	215,099,805.01	296,978,137.89	512,077,942.90	87,629.00
TOTAL ASSETS	\$ 346,940,425.62	\$ 448,623,227.29	\$ 795,563,652.91	\$ 470,614.00
LIABILITIES:				
Accounts Payable	\$ 5,154,205.04	\$ 4,796,477.07	\$ 9,950,682.11	\$ 14,994.00
Other Current Liabilities	1,106,477.49	1,887,044.91	2,993,522.40	18,774.00
Noncurrent Liabilities (see Note 4)				
Due Within One Year	11,789,071.77	3,400,356.10	15,189,427.87	-
Due in More Than One Year	39,701,557.13	86,647,575.09	126,349,132.22	-
TOTAL LIABILITIES	57,751,311.43	96,731,453.17	154,482,764.60	33,768.00
NET POSITION:				
Net Investment in Capital Assets	219,642,453.81	301,032,884.58	520,675,338.39	87,629.00
Restricted for:				
Debt Service	1,451,460.00	6,660,024.00	8,111,484.00	-
Cemetery Trust Fund - Expendable	10,418.69	-	10,418.69	-
Cemetery Trust Fund - Nonexpendable	50,000.00	-	50,000.00	-
Other Purposes - TID Debt Service	1,700,121.65	-	1,700,121.65	-
Other Purposes - Dwntrn Business Impr District	1,333.62	-	1,333.62	-
Other Purposes - Business Impr District	11,058.23	-	11,058.23	-
Other Purposes - RSVP	41,529.48	-	41,529.48	-
Other Purposes - Component Unit	-	-	-	132,507.00
Other Purposes - Library	49,927.19	-	49,927.19	-
Other Purposes - Grant (Loan Rehab)	45,654.38	-	45,654.38	-
Other Purposes - Highway Construction	6,822,434.14	-	6,822,434.14	-
Unrestricted	59,362,723.00	44,198,865.54	103,561,588.54	216,710.00
TOTAL NET POSITION	289,189,114.19	351,891,774.12	641,080,888.31	436,846.00
TOTAL LIABILITIES AND NET POSITION	\$ 346,940,425.62	\$ 448,623,227.29	\$ 795,563,652.91	\$ 470,614.00

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

**CITY OF RAPID CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	----- 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	\$ 3,578,786.17	\$ 809,887.64	\$ 350,000.00	\$ -	\$ (2,418,898.53)	\$ -	\$ (2,418,898.53)	\$ -
Public Safety	22,274,805.86	1,734,406.26	629,793.10	-	(19,910,606.50)	-	(19,910,606.50)	-
Public Works	18,505,644.07	770,063.21	-	6,545,886.66	(11,189,694.20)	-	(11,189,694.20)	-
Health and Welfare	3,075,296.17	422,429.19	852,323.10	368,128.00	(1,432,415.88)	-	(1,432,415.88)	-
Culture, Recreation	10,656,488.66	1,658,221.85	59,518.70	-	(8,938,748.11)	-	(8,938,748.11)	(9,087.00)
Conservation and Development	3,701,548.27	1,551,543.49	1,076,630.70	1,723,009.17	649,635.09	-	649,635.09	-
Interest on Long Term Debt (1)	3,248,227.91	-	-	-	(3,248,227.91)	-	(3,248,227.91)	-
Miscellaneous Expenditures	1,841,005.47	147,073.68	-	-	(1,693,931.79)	-	(1,693,931.79)	-
Total Governmental Activities	66,881,802.58	7,093,625.32	2,968,265.60	8,637,023.83	(48,182,887.83)	-	(48,182,887.83)	(9,087.00)
Business-Type Activities:								
Water	9,069,991.52	16,892,221.45	-	198,451.18	-	8,020,681.11	8,020,681.11	-
Water Reclamation	7,214,733.92	10,668,467.96	-	196,625.00	-	3,650,359.04	3,650,359.04	-
Airport	7,080,630.22	5,245,704.53	-	2,727,515.12	-	892,589.43	892,589.43	-
Solid Waste Disposal	3,126,572.01	3,343,750.49	-	-	-	217,178.48	217,178.48	-
Solid Waste MRF/Compost	2,795,371.10	3,521,156.78	-	-	-	725,785.68	725,785.68	-
Civic Center	9,840,873.86	5,171,959.85	-	-	-	(4,668,914.01)	(4,668,914.01)	-
Solid Waste Collection	2,034,392.55	2,403,399.23	-	-	-	369,006.68	369,006.68	-
Executive Golf Course	209,350.14	190,030.16	-	336,922.49	-	317,602.51	317,602.51	-
Cemetery	287,062.18	150,396.21	-	-	-	(136,665.97)	(136,665.97)	-
Golf Course	1,421,275.69	1,337,328.63	-	-	-	(83,947.06)	(83,947.06)	-
Parking Lot & Area	627,952.42	743,220.83	-	-	-	115,268.41	115,268.41	-
Energy Plant	338,757.91	320,718.34	-	-	-	(18,039.57)	(18,039.57)	-
Ambulance	3,032,642.83	3,100,211.91	-	100,000.00	-	167,569.08	167,569.08	-
Transportation Terminal	232,977.92	13,904.59	-	-	-	(219,073.33)	(219,073.33)	-
Total Business-type Activities	47,312,584.27	53,102,470.96	-	3,559,513.79	-	9,349,400.48	9,349,400.48	-
Total Primary Government	\$ 114,194,386.85	\$ 60,196,096.28	\$ 2,968,265.60	\$ 12,196,537.62	\$ (48,182,887.83)	\$ 9,349,400.48	\$ (38,833,487.35)	\$ (9,087.00)
General Revenues:								
Taxes:								
Property Taxes				19,985,671.83			19,985,671.83	
Sales Taxes				48,543,580.69	3,588,168.15		52,131,748.84	
Other Taxes				2,241,266.26	168,372.79		2,409,639.05	
State Shared Revenue				1,381,825.37	-		1,381,825.37	
County Shared Revenue				350,285.84	-		350,285.84	
Unrestricted Investment Earnings				1,061,765.89	507,790.75		1,569,556.64	
Miscellaneous Revenue				179,317.04	708,272.36		887,589.40	
Loss on disposal of Capital Assets				61,110.27	(42,936.88)		18,173.39	
Comp for Loss/Damage to Capital Assets				1,064,006.16	-		1,064,006.16	
Transfers				(7,098,178.22)	7,098,178.22		-	
Total General Revenue, Loss and Transfers				67,770,651.13	12,027,845.39		79,798,496.52	
Change in Net Assets				19,587,763.30	21,377,245.87		40,965,009.17	(9,087.00)
Net Position, Beginning				269,601,350.89	330,514,528.25		600,115,879.14	445,933.00
Net Position, Ending				\$ 289,189,114.19	\$ 351,891,774.12		\$ 641,080,888.31	\$ 436,846.00

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

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

**CITY OF RAPID CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	General Fund	Vision Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
101 Cash and Cash Equivalents	\$ 8,923,203.70	\$ 1,137,224.18	\$ 7,908,384.14	\$ 2,353,782.11	\$ 2,095,009.83	\$ 22,417,603.96
102 Restricted Cash	-	-	-	-	213,485.64	213,485.64
106 Cash with Fiscal Agent, Restricted (see Note 1C)	-	2,971,337.76	204,571.08	2,632,300.00	-	5,808,208.84
151 Investments	7,997,451.46	8,270,393.74	6,659,484.25	4,665,672.28	48,345.39	27,641,347.12
110 Property Taxes Receivable--Delinquent	260,369.37	-	-	-	171,668.71	432,038.08
110 Sales Tax Receivable	3,872,059.67	1,936,029.86	1,936,029.86	673,401.70	-	8,417,521.09
115 Accounts Receivable	230,204.74	-	-	-	73,104.61	303,309.35
121 Special Assessments Receivable--Current	14,844.07	-	-	-	159.00	15,003.07
122 Special Assessments Receivable--Delinquent	61,895.35	-	-	-	-	61,895.35
123 Special Assessments Receivable--Deferred	118,881.40	-	-	-	8,815.00	127,696.40
128 Notes Receivable (see Note 1C)	17,640.00	-	2,411,053.81	-	-	2,428,693.81
131 Due from Other Funds (see Note 5)	74,207.14	28,199.01	14,684.53	300,113.80	-	417,204.48
133 Advance to Other Funds (see Note 5)	1,064,787.29	-	307,687.81	3,548,409.49	-	4,920,884.59
132 Due from Other Governments (see Note 6)	710,636.20	-	714,689.39	-	108,125.65	1,533,451.24
135 Interest Receivable	55,697.44	7,817.28	242,138.87	3,217.68	1,524.00	310,395.27
144 Inventory	691,607.13	-	-	-	-	691,607.13
TOTAL ASSETS	\$ 24,093,484.96	\$ 14,351,001.83	\$ 20,398,723.74	\$ 14,176,897.06	\$ 2,720,237.83	\$ 75,740,345.42
LIABILITIES AND FUND BALANCES:						
<i>Liabilities:</i>						
201 Claims Payable	1,201,465.68	373,915.68	535,215.14	-	485,392.27	2,595,988.77
216 Wages Payable	848,861.99	-	-	-	16,191.41	865,053.40
208 Due to Other Funds (see Note 5)	-	-	-	-	357,712.52	357,712.52
209 Advance from Other Funds (see Note 5)	-	-	-	-	5,026,838.94	5,026,838.94
224 Deferred Revenue	292,667.34	-	-	-	55,880.35	348,547.69
Total Liabilities	2,342,995.01	373,915.68	535,215.14	-	5,942,015.49	9,194,141.32
<i>Fund Balances:</i>						
263 Nonspendable	-	-	-	-	-	691,607.13
263.01 Inventory	691,607.13	-	-	-	-	691,607.13
263.04 Advances	1,064,787.29	-	307,687.81	3,548,409.49	-	4,920,884.59
263.05 Notes Receivables	17,640.00	-	2,411,053.81	-	-	2,428,693.81
263.51 Perpetual Care Cemetery	-	-	-	-	50,000.00	50,000.00
264 Restricted	-	805,500.00	42,460.00	603,500.00	1,700,121.65	3,151,581.65
264.01 Debt Service	-	-	-	-	10,418.69	10,418.69
264.03 Cemetery Perpetual Care	-	-	-	-	49,927.19	49,927.19
264.05 Library	-	-	-	-	12,391.85	12,391.85
264.09 Business Improvement District	-	-	-	-	87,183.86	87,183.86
264.97 Grant	-	-	-	-	-	-
265 Committed	-	-	-	10,024,987.57	-	10,024,987.57
265.02 Capital Replacements	-	-	-	-	-	-
265.04 Vision Fund	-	13,171,586.15	-	-	-	13,171,586.15
265.04 Consolidated Construction Sales Tax	-	-	17,102,306.98	-	-	17,102,306.98
265.99 Erosion/Sediment Control	-	-	-	-	53,543.09	53,543.09
266 Assigned	555,865.00	-	-	-	-	555,865.00
266.01 Assigned for Next Year's Appropriation	19,420,590.53	-	-	-	(5,185,363.99)	14,235,226.54
267 Unassigned (see Note 11)	21,750,489.95	13,977,086.15	19,863,508.60	14,176,897.06	(3,221,777.66)	66,546,204.10
Total Fund Balances	21,750,489.95	13,977,086.15	19,863,508.60	14,176,897.06	(3,221,777.66)	66,546,204.10
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,093,484.96	\$ 14,351,001.83	\$ 20,398,723.74	\$ 14,176,897.06	\$ 2,720,237.83	\$ 75,740,345.42

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 POSITION
DECEMBER 31, 2012**

Total Fund Balances - Governmental Funds	\$ 66,546,204.10
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	267,156,773.29
Long term liabilities, including bonds payable are not due and payable in the current period and therefore not reported in the funds.	(51,490,628.90)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(236,639.95)
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.	135,670.00
Property Taxes (delinquent), special assessments (current, delinquent and deferred) and a state grant are not available to pay for current period expenditures and therefore are deferred revenue in the funds.	348,547.69
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in the governmental activities in the statement of net assets.	6,729,187.96
Total Net Position - Governmental Activities	\$ 289,189,114.19

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, 2012

	General Fund	Vision Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes	\$ 13,762,474.95	\$ -	\$ -	\$ -	\$ 6,356,352.59	\$ 20,118,827.54
313 General Sales and Use Taxes	22,330,040.05	11,165,073.63	11,165,020.00	3,883,447.01	-	48,543,580.69
314 Gross Receipts Business Taxes	674,568.60	-	-	-	1,378,151.20	2,052,719.80
320 Licenses and Permits	1,935,816.08	-	-	-	-	1,935,816.08
330 Intergovernmental Revenue:						
331 Federal Grants	2,130,454.44	-	1,805,551.17	-	744,972.16	4,680,977.77
334 State Grants	28,425.00	-	6,000,000.00	-	-	6,028,425.00
335 State Shared Revenue:						
335.01 Bank Franchise Tax	115,059.51	-	-	-	-	115,059.51
335.03 Liquor Tax Reversion	379,496.24	-	-	-	-	379,496.24
335.04 Motor Vehicle Licenses (5%)	48,172.92	-	-	-	-	48,172.92
335.06 Fire Insurance Reversion	174,491.88	-	-	-	-	174,491.88
335.08 Local Government Highway and Bridge Fund	664,604.82	-	-	-	-	664,604.82
338 County Shared Revenue:						
338.01 County Road Tax (25%)	350,285.84	-	-	-	-	350,285.84
340 Charges for Goods and Services:						
341 General Government	446,635.92	-	45,827.71	-	-	492,463.63
342 Public Safety	1,666,399.21	-	-	-	-	1,666,399.21
343 Public Works	34,190.78	-	727,110.35	-	-	761,301.13
345 Health & Welfare	418,604.19	-	-	-	-	418,604.19
346 Culture and Recreation	1,560,706.05	-	-	-	-	1,560,706.05
348 Cemetery	-	-	-	-	3,252.36	3,252.36
349 Conservation & Development	-	-	-	-	147,073.68	147,073.68
350 Fines and Forfeits:						
351 Court Fines and Costs	10,493.19	-	-	-	-	10,493.19
354 Library	-	-	-	-	97,515.80	97,515.80
360 Miscellaneous Revenue:						
361 Interest Earnings	339,697.86	139,553.87	224,166.75	342,490.37	15,857.04	1,061,765.89
362 Rentals	161,202.39	-	-	-	-	161,202.39
363 Special Assessments	150.00	-	-	-	182,230.12	182,380.12
367 Contributions and Donations	24,759.64	-	20,000.00	-	95,739.63	140,499.27
369 Other	18,114.65	-	-	-	-	18,114.65
Total Revenue	47,274,844.21	11,304,627.50	19,987,675.98	4,225,937.38	9,021,144.58	91,814,229.65
Expenditures:						
410 General Government:						
412 Executive-Mayor & Council	565,499.11	-	-	-	-	565,499.11
414 Financial - COMPASS	118,474.82	-	-	-	-	118,474.82
414 Financial - Community Resources	368,959.39	-	185,980.13	-	-	554,939.52
414 Financial - Finance	685,308.62	-	-	-	-	685,308.62
414 Financial - Attorney	69,747.11	-	-	-	-	69,747.11
419 Other - Government Buildings	749,292.69	-	201,196.77	-	-	950,489.46
420 Public Safety:						
421 Police	12,167,543.81	-	-	-	-	12,167,543.81
422 Fire	8,546,041.38	-	-	-	-	8,546,041.38
429 Other Protection-Corrections	23,994.86	-	-	-	-	23,994.86
429 Other Protection-Code Enforcement	213,439.86	-	-	-	-	213,439.86
429 Other Protection-ACE	22,393.31	-	-	-	-	22,393.31
429 Other Protection-Re-entry Program	58,703.54	-	-	-	-	58,703.54
429 Other Protection-Emergency Mgt	90,243.00	-	-	-	-	90,243.00

CITY OF RAPID CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Vision Fund	Consolidated Construction Fund	Utility Facilities Fund	Other Governmental Funds	Total Governmental Funds
430 Public Works:						
431 Highways and Streets	4,828,551.34	-	-	-	-	4,828,551.34
43x Administration	350,981.99	268,096.05	844,370.88	-	-	1,463,448.92
440 Health and Welfare:						
441 Health	421,572.73	33,106.80	-	-	-	454,679.53
444 Humane Society	278,318.00	-	-	-	-	278,318.00
449 Other - Public Transit	1,844,963.95	-	-	-	-	1,844,963.95
449 Other - Air Quality	69,651.97	-	-	-	-	69,651.97
450 Culture and Recreation:						
451 Recreation	319,626.21	175,375.00	-	-	-	495,001.21
451 Swimming Pools	1,431,052.94	-	-	-	-	1,431,052.94
451 Ice Arena	560,474.57	-	-	-	-	560,474.57
452 Parks	2,199,786.79	295,861.29	66,981.75	-	-	2,562,629.83
455 Libraries	3,113,500.68	-	-	-	107,024.34	3,220,525.02
457 Historical Preservation	17,106.67	-	-	-	-	17,106.67
459 Other - Parks & Rec Administration	378,708.35	-	149,028.00	-	-	527,736.35
459 Other - Retired Senior (RSVP)	-	-	-	-	100,543.28	100,543.28
459 Other - Cemetery	-	-	-	-	576.00	576.00
459 Other - Subsidies	200,000.00	-	-	-	-	200,000.00
460 Conservation and Development:						
465 Economic Development	358,000.00	568,051.00	-	-	-	926,051.00
465 Community Development	1,409,706.64	-	-	-	960,422.14	2,370,128.78
465 Transportation Planning	272,948.94	-	-	-	-	272,948.94
465 GIS Information System	63,798.10	-	-	-	-	63,798.10
470 Debt Service	121,551.68	6,643,704.14	347,133.01	1,861,305.00	6,036,150.89	15,009,844.72
485 Capital Outlay	2,054,305.35	545,114.21	13,900,027.78	-	6,174.95	16,505,622.29
490 Miscellaneous:						
492 Other Expenditures	14,759.00	8,837.64	330.00	1,331.75	1,815,747.08	1,841,005.47
Total Expenditures	43,989,007.40	8,538,146.13	15,695,048.32	1,862,636.75	9,026,638.68	79,111,477.28
Excess of Revenue Over (Under)						
Expenditures	3,285,836.81	2,766,481.37	4,292,627.66	2,363,300.63	(5,494.10)	12,702,752.37
Other Financing Sources (Uses):						
391.01 Transfers In (see Note 5)	753,673.00	-	666,615.00	-	-	1,420,288.00
511 Transfers Out (see Note 5)	(190,010.80)	(2,706,424.76)	(173,368.14)	(2,908,420.00)	(2,190,242.52)	(8,168,466.22)
391.02 Long-term debt issued	-	-	-	-	2,920,498.24	2,920,498.24
391.03 Sale of Municipal Property	35,875.79	-	-	-	70,000.00	105,875.79
391.04 Comp for Loss or Damage to Capital Assets	-	-	1,064,006.16	-	-	1,064,006.16
Total Other Financing Sources (Uses)	599,537.99	(2,706,424.76)	1,557,253.02	(2,908,420.00)	800,255.72	(2,657,798.03)
Net Change in Fund Balances	3,885,374.80	60,056.61	5,849,880.68	(545,119.37)	794,761.62	10,044,954.34
Fund Balance - Beginning	17,865,115.15	13,917,029.54	14,013,627.92	14,722,016.43	(4,016,539.28)	56,501,249.76
FUND BALANCE- ENDING	\$ 21,750,489.95	\$ 13,977,086.15	\$ 19,863,508.60	\$ 14,176,897.06	\$ (3,221,777.66)	\$ 66,546,204.10

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, 2012

Net change in fund balances - total government funds	\$ 10,044,954.34
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.	1,536,242.51
Assets Contributed by Development.	405,387.39
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).	11,828,719.53
Debt proceeds, including premiums are a revenue in the governmental funds but the proceeds increase long-term liabilities in the statement of net assets.	(2,920,498.24)
Debt issuance costs are deferred in the government-wide statements and amortized over the term of the related debt.	(90,792.00)
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.	23,689.27
In the Statement of Activities, the gains and losses on disposal of capital assets are reported, whereas in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized.	(44,765.52)
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.	(300,630.28)
Governmental funds report property taxes, special assessments and grants as revenue when funds become available, but the statement of activities includes the property tax, special assessments and grants as revenue when earned.	(126,989.37)
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.	(172,047.79)
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.	(595,506.54)
Change in Net Position of Governmental Activities	\$ 19,587,763.30

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

CITY OF RAPID CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

Enterprise

	Water Fund	Wastewater Fund	Airport Fund
ASSETS:			
Current Assets:			
101 Cash and Cash Equivalents	\$ 3,558,687.14	\$ 6,588,906.61	\$ 4,576,634.56
106 Cash with Fiscal Agent, Restricted (see Note 1C)	16,761,445.38	1,144,959.06	4,666,670.53
107 Restricted Cash (Note 15)	-	-	-
151 Investments	2,048,757.52	3,978,880.52	-
115 Accounts Receivable	640,270.90	783,284.37	899,342.92
116 Estimated Uncollectable Accounts Receivable	(25,986.15)	(30,000.00)	(24,926.10)
117 Unbilled Accounts Receivable	505,446.31	-	-
110 Sales Tax Receivable	-	-	-
131 Due from Other Funds (see Note 5)	92,852.27	-	-
132 Due from Other Government (see Note 6)	59,057.31	64,277.00	421,396.27
135 Interest Receivable	51,539.45	12,389.38	3,781.55
142 Inventory of Stores Purchased for Resale	33,994.05	9,011.24	-
155 Prepaid Expenses	275,889.38	115,677.27	240,389.37
Total Current Assets	<u>24,001,953.56</u>	<u>12,667,385.45</u>	<u>10,783,289.10</u>
Noncurrent Assets:			
133 Advance to Other Funds (see Note 5)	580,210.57	-	-
Capital Assets (see Note 2):			
160 Land	5,769,617.19	697,342.89	1,084,000.31
162 Buildings	12,247,827.83	24,814,545.27	22,015,794.17
164 Improvements Other than Bldg	127,527,296.60	77,761,475.19	63,897,307.23
164 Furniture & Equipment	592,031.79	627,857.00	933,142.85
166 Machinery and Equipment	797,662.56	1,559,012.62	5,384,965.58
168 Construction Work in Progress	33,230,559.45	5,478,535.75	20,254,476.51
Less: Accumulated Depreciation	(45,350,842.78)	(30,548,927.95)	(41,135,721.37)
Total Noncurrent Assets	<u>135,394,363.21</u>	<u>80,389,840.77</u>	<u>72,433,965.28</u>
TOTAL ASSETS	<u>\$ 159,396,316.77</u>	<u>\$ 93,057,226.22</u>	<u>\$ 83,217,254.38</u>
LIABILITIES:			
Current Liabilities:			
202 Accounts Payable	\$ 2,346,182.60	\$ 959,697.10	\$ 866,914.52
208 Due to Other Funds (see Note 5)	-	60,000.00	-
215 Accrued Interest Payable	291,234.07	92,751.63	88,441.13
220 Customer Deposits	748,200.97	-	-
2xx Wages Payable	114,331.86	81,483.73	82,329.29
226 OPEB Current Obligations (see Note 4)	53,910.65	40,080.57	48,691.70
226 Bonds Payable Current (see Note 4)	100,408.53	957,641.61	555,000.00
226 Capital Lease Payable Current (see Note 4)	-	-	-
230 Compensated Absences Payable -- Current (see Note 4)	15,000.00	5,000.00	6,500.00
Total Current Liabilities	<u>3,669,268.68</u>	<u>2,196,654.64</u>	<u>1,647,876.64</u>
Noncurrent Liabilities:			
209 Advance from Other Funds (see Note 5)	270,000.00	183,000.00	-
231 OPEB Long-Term Obligations (see Note 4)	71,510.77	53,165.61	64,588.00
231 Bonds Payable (see Note 4)	46,912,020.36	13,382,418.33	15,114,184.25
231 Capital Lease Payable (see Note 4)	-	-	-
233 Accrued Leave Payable (see Note 4)	184,438.04	114,240.90	82,325.16
235 Accrued Landfill Closure and Postclosure (see Note 15)	-	-	-
Total Noncurrent Liabilities	<u>47,437,969.17</u>	<u>13,732,824.84</u>	<u>15,261,097.41</u>
NET POSITION:			
253.10 Net Investment in Capital Assets	98,934,259.42	66,049,780.83	59,757,779.25
253.20 Restricted Net Position, Restricted for:			
253.22 Revenue Bond Retirement	3,642,475.00	885,500.00	1,358,643.00
253.90 Unrestricted Net Position	5,712,344.50	10,192,465.91	5,191,858.08
Total Net Position	<u>108,289,078.92</u>	<u>77,127,746.74</u>	<u>66,308,280.33</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 159,396,316.77</u>	<u>\$ 93,057,226.22</u>	<u>\$ 83,217,254.38</u>

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

e Funds

Civic Center Enterprise Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 645,295.10	\$ 11,033,151.23	\$ 26,402,674.64	\$ 8,341,470.51
634,276.04	1,169,069.99	24,376,421.00	-
-	1,429,393.08	1,429,393.08	-
102,290.82	7,230,744.85	13,360,673.71	1,398,735.60
83,390.91	6,314,411.85	8,720,700.95	545,056.64
-	(3,185,137.61)	(3,266,049.86)	-
-	-	505,446.31	-
520,479.24	-	520,479.24	-
199,251.85	-	292,104.12	-
4,908.70	54,573.54	604,212.82	267.86
1,244.75	12,251.59	81,206.72	5,835.11
111,474.54	-	154,479.83	-
86,994.98	59,182.98	778,133.98	-
<u>2,389,606.93</u>	<u>24,117,641.50</u>	<u>73,959,876.54</u>	<u>10,291,365.72</u>

-	-	580,210.57	-
1,091,682.05	7,163,095.97	15,805,738.41	-
61,134,223.11	21,703,426.42	141,915,816.80	-
8,991,574.95	14,233,347.34	292,411,001.31	-
3,474,368.44	2,331,821.93	7,959,222.01	-
437,096.05	8,675,284.69	16,854,021.50	-
4,903.37	2,157,463.75	61,125,938.83	-
(26,189,692.41)	(18,936,739.22)	(162,161,923.73)	-
<u>48,944,155.56</u>	<u>37,327,700.88</u>	<u>374,490,025.70</u>	<u>-</u>
<u>\$ 51,333,762.49</u>	<u>\$ 61,445,342.38</u>	<u>\$ 448,449,902.24</u>	<u>\$ 10,291,365.72</u>

\$ 247,800.02	\$ 375,882.83	\$ 4,796,477.07	\$ 2,558,216.27
-	291,596.08	351,596.08	-
1,170.75	11,718.76	485,316.34	-
-	-	748,200.97	-
207,911.58	167,471.14	653,527.60	4,784.14
54,303.99	127,146.34	324,133.25	-
215,000.00	658,300.00	2,486,350.14	-
95,406.62	455,966.09	551,372.71	-
-	12,000.00	38,500.00	-
<u>821,592.96</u>	<u>2,100,081.24</u>	<u>10,435,474.16</u>	<u>2,563,000.41</u>

-	21,256.22	474,256.22	-
72,032.53	168,655.61	429,952.52	-
4,491,337.33	2,989,797.41	82,889,757.68	-
51,073.46	1,023,910.45	1,074,983.91	-
151,912.73	290,571.07	823,487.90	-
-	1,429,393.08	1,429,393.08	-
<u>4,766,356.05</u>	<u>5,923,583.84</u>	<u>87,121,831.31</u>	<u>-</u>

44,091,338.15	32,199,726.93	301,032,884.58	-
418,768.00	354,638.00	6,660,024.00	-
1,235,707.33	20,867,312.37	43,199,688.19	7,728,365.31
<u>45,745,813.48</u>	<u>53,421,677.30</u>	<u>350,892,596.77</u>	<u>7,728,365.31</u>
<u>\$ 51,333,762.49</u>	<u>\$ 61,445,342.38</u>	<u>\$ 448,449,902.24</u>	<u>\$ 10,291,365.72</u>

**CITY OF RAPID CITY
RECONCILIATION OF THE PROPRIETARY FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012**

Total Net Position - Enterprise Funds \$ 350,892,596.77

Amounts reported for business-type activities in the statement
of net position are different because:

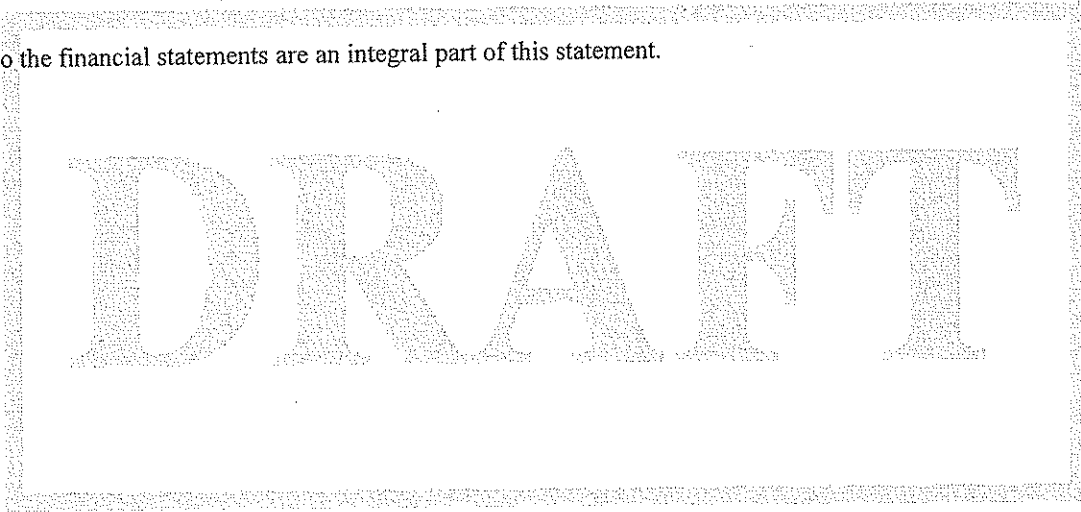
Internal service funds are used by management to charge the
costs of activities, such as insurance, to individual funds.
Certain amounts reported for business-type activities in the Statement of Net
Assets are different because of the Enterprise Funds' participation
in the activities conducted in the internal service fund

999,177.35

Total Net Position - Business-type Activities

\$ 351,891,774.12

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



CITY OF RAPID CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2012

	<i>Enterpri</i>		
	Water Fund	Wastewater Fund	Airport Fund
Operating Revenue:			
380 Charges for Goods and Services	\$ 13,525,194.73	\$ -	\$ 3,785,486.61
381 Revenues used as Security for Revenue Bonds	3,367,026.72	10,668,467.96	1,460,217.92
Total Operating Revenues	<u>16,892,221.45</u>	<u>10,668,467.96</u>	<u>5,245,704.53</u>
Operating Expenses:			
410 Personal Services	2,184,125.95	1,644,738.17	1,970,236.83
420 Other Current Expense	3,333,151.18	3,223,428.96	2,113,186.84
426.2 Materials (Cost of Goods Sold)	-	-	-
457 Depreciation (see Note 2)	2,644,787.13	1,929,261.96	1,978,402.95
Total Operating Expenses	<u>8,162,064.26</u>	<u>6,797,429.09</u>	<u>6,061,826.62</u>
Operating Income (Loss)	<u>8,730,157.19</u>	<u>3,871,038.87</u>	<u>(816,122.09)</u>
Nonoperating Revenue (Expense):			
361 Investment Earnings	3,414.76	130,958.02	96,314.04
470 Interest Expense and Fiscal Charges	(869,973.12)	(389,087.34)	(984,523.70)
366 Gain (Loss) on Disposition of Capital Assets	(785.58)	663.23	(32,097.37)
369.01 Other Taxes	-	-	168,372.79
369.01 Sales Tax	-	-	-
369.01 Other	12,110.20	-	448.80
Total Nonoperating Revenue (Expense)	<u>(855,233.74)</u>	<u>(257,466.09)</u>	<u>(751,485.44)</u>
Income (Loss) Before Capital Grants and Transfers	<u>7,874,923.45</u>	<u>3,613,572.78</u>	<u>(1,567,607.53)</u>
330 Capital Grants	-	118,255.00	2,630,631.12
391.7 Contributions from Developers/Others	198,451.18	78,370.00	96,884.00
391.1 Transfers In (see Note 5)	2,484,031.57	2,633,771.45	-
511 Transfers Out (see Note 5)	(171,350.70)	(124,714.05)	-
Net Capital Grants, Contributions and Transfers	<u>2,511,132.05</u>	<u>2,705,682.40</u>	<u>2,727,515.12</u>
Change in Net Position	<u>10,386,055.50</u>	<u>6,319,255.18</u>	<u>1,159,907.59</u>
Net Position - Beginning	97,903,023.42	70,808,491.56	65,148,372.74
NET POSITION - ENDING	<u>\$ 108,289,078.92</u>	<u>\$ 77,127,746.74</u>	<u>\$ 66,308,280.33</u>

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

se Funds

Civic Center Enterprise Fund	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 5,171,959.85	\$ 14,380,896.34	\$ 36,863,537.53	\$ 7,855,901.86
-	743,220.83	16,238,933.43	-
5,171,959.85	15,124,117.17	53,102,470.96	7,855,901.86
3,494,589.12	5,642,020.06	14,935,710.13	210,255.12
3,510,930.64	5,940,298.88	18,120,996.50	8,255,755.48
724,122.42	140,980.19	865,102.61	-
1,960,623.32	2,064,092.36	10,577,167.72	-
9,690,265.50	13,787,391.49	44,498,976.96	8,466,010.60
(4,518,305.65)	1,336,725.68	8,603,494.00	(610,108.74)
16,600.13	260,503.80	507,790.75	136,406.13
(112,377.30)	(229,449.78)	(2,585,411.24)	-
1,019.01	(11,736.17)	(42,936.88)	-
-	-	168,372.79	-
3,588,168.15	-	3,588,168.15	-
-	695,713.36	708,272.36	-
3,493,409.99	715,031.21	2,344,255.93	136,406.13
(1,024,895.66)	2,051,756.89	10,947,749.93	(473,702.61)
-	-	2,748,886.12	-
-	436,922.49	810,627.67	-
275,216.11	2,129,486.29	7,522,505.42	-
(51,454.00)	(76,808.45)	(424,327.20)	(350,000.00)
223,762.11	2,489,600.33	10,657,692.01	(350,000.00)
(801,133.55)	4,541,357.22	21,605,441.94	(823,702.61)
46,546,947.03	48,880,320.08	329,287,154.83	8,552,067.92
\$ 45,745,813.48	\$ 53,421,677.30	\$ 350,892,596.77	\$ 7,728,365.31

**CITY OF RAPID CITY
RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF REVENUES
EXPENSES AND CHANGES IN NET POSITION TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Net change in net position - Enterprise funds	\$ 21,605,441.94
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	(228,196.07)
Change in Net Position of Business-type Activities	<u>\$ 21,377,245.87</u>

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



CITY OF RAPID CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds				
	Water Fund	Wastewater Fund	Airport Fund	Civic Center Enterprise Fund	Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipt from Customers	\$ 16,836,152.97	\$ 10,665,397.57	\$ 5,204,112.58	\$ 5,175,488.29	\$ 15,172,885.51
Receipt from Interfund Services Provided	-	-	-	-	-
Payments to Suppliers	(3,174,664.53)	(3,232,925.26)	(2,995,737.38)	(4,293,223.60)	(6,238,974.94)
Payments to Employees	(2,116,623.70)	(1,591,713.91)	(1,991,752.37)	(3,413,919.60)	(5,572,195.96)
Net Cash Provided (Used) by Operating Activities	11,544,864.74	5,840,758.40	216,622.83	(2,531,654.91)	3,361,714.61
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Airport Property Tax and Gross Receipts Tax (Civic Center)	-	-	168,372.79	3,416,389.75	-
Receipt from Interfund Services Provided	132,148.51	859.16	-	(10,542.75)	66,293.08
Internal Activity - Payment to Other Funds	-	(60,000.00)	-	-	(154,748.93)
Transfers In	293,789.05	2,633,771.45	-	275,216.11	1,978,604.45
Transfer Out	(171,350.70)	(124,714.05)	-	(51,454.00)	(76,808.45)
Net Cash Provided (Used) by Operating Subsidies and Transfers	254,586.86	2,449,916.56	168,372.79	3,629,609.11	1,813,340.15
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Capital Debt	657,480.00	1,417,022.00	-	-	-
Capital Grants	-	53,978.00	6,109,688.07	-	-
Purchase of Capital Assets	(25,144,514.04)	(7,319,776.76)	(6,833,162.13)	(180,627.26)	(2,276,016.33)
Principal Paid on Capital Debt	(76,579.36)	(884,940.06)	(534,399.13)	(292,092.33)	(1,060,882.30)
Interest Paid on Capital Debt	(866,296.74)	(383,095.78)	(988,324.35)	(112,454.29)	(234,786.86)
Proceeds from Sale of Assets	2,709.52	7,105.13	125.63	1,019.01	1,209.78
Other Receipts (Payments)	12,110.20	-	448.80	-	795,713.36
Net Cash (Used) by capital and related financing Activities	(25,415,090.42)	(7,109,707.47)	(2,245,623.11)	(584,154.87)	(2,774,762.35)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Earnings	176,356.48	124,370.88	98,556.04	16,222.77	251,003.32
Net Cash Provided (Used) by Investing Activities	176,356.48	124,370.88	98,556.04	16,222.77	251,003.32
Net Increase (Decrease) in Cash and Cash Equivalents	(13,439,282.34)	1,305,338.37	(1,762,071.45)	530,022.10	2,651,295.73
Balances - Beginning	33,759,414.86	6,428,527.30	11,005,376.54	749,549.04	10,980,318.57
Balances- Ending	\$ 20,320,132.52	\$ 7,733,865.67	\$ 9,243,305.09	\$ 1,279,571.14	\$ 13,631,614.30
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 8,730,157.19	\$ 3,871,038.87	\$ (816,122.09)	\$ (4,518,305.65)	\$ 1,336,725.68
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	2,644,787.13	1,929,261.96	1,978,402.95	1,960,623.32	2,064,092.36
Landfill Closure & Postclosure Costs	-	-	-	-	48,336.97
Change in Assets and Liabilities:					
Receivables	(29,865.40)	(3,070.39)	(41,591.95)	8,437.14	48,768.34
Inventories	(147.05)	4,954.67	-	(15,729.65)	-
Prepaid Expenses	10,218.13	11,567.73	10,953.13	4,833.05	6,456.23
Customer Deposits	32,854.23	-	-	-	-
Due from other Governments	(59,057.31)	-	-	(4,908.70)	-
Accounts and Other Payables	148,415.57	(26,018.70)	(893,503.67)	(47,273.94)	(212,489.07)
Accrued Wages Payable	16,790.35	11,448.51	12,178.91	44,316.92	9,643.38
Accrued Other Post Employment Benefits	16,822.88	7,777.38	17,814.51	12,202.21	44,164.94
Accrued Leave Payable	33,889.02	33,798.37	(51,508.96)	24,150.39	16,015.78
Net Cash Provided (Used) by Operating Activities	\$ 11,544,864.74	\$ 5,840,758.40	\$ 216,622.83	\$ (2,531,654.91)	\$ 3,361,714.61
Noncash Investing, Capital and Financing Activities:					
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ (3,495.10)	\$ (6,441.90)	\$ (32,223.00)	\$ -	\$ (19,553.53)
Contribution of Assets from Others	2,388,693.70	78,370.00	96,884.00	-	-
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
101 Cash and Cash Equivalents	\$ 3,558,687.14	\$ 6,588,906.61	\$ 4,576,634.56	\$ 645,295.10	\$ 11,033,151.23
106 Cash with Fiscal Agent, Restricted (see Note 1C)	16,761,445.38	1,144,959.06	4,666,670.53	634,276.04	1,169,069.99
107 Restricted Cash (Note 15)	-	-	-	-	1,429,393.08
Net Cash and Cash Equivalents	\$ 20,320,132.52	\$ 7,733,865.67	\$ 9,243,305.09	\$ 1,279,571.14	\$ 13,631,614.30

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

Totals	Internal Service Funds
\$ 53,054,036.92	\$ -
-	7,856,917.41
(19,935,525.71)	(8,369,828.85)
(14,686,205.54)	(209,682.52)
<u>18,432,305.67</u>	<u>(722,593.96)</u>
3,584,762.54	-
188,758.00	-
(214,748.93)	-
5,181,381.06	-
(424,327.20)	(350,000.00)
<u>8,315,825.47</u>	<u>(350,000.00)</u>
2,074,502.00	-
6,163,666.07	-
(41,754,096.52)	-
(2,848,893.18)	-
(2,584,958.02)	-
12,169.07	-
808,272.36	-
<u>(38,129,338.22)</u>	<u>-</u>
666,509.49	135,640.62
666,509.49	135,640.62
(10,714,697.59)	(936,953.34)
62,923,186.31	9,278,423.85
<u>\$ 52,208,488.72</u>	<u>\$ 8,341,470.51</u>
<u>\$ 8,603,494.00</u>	<u>\$ (610,108.74)</u>
10,577,167.72	-
48,336.97	-
(17,322.26)	1,015.55
(10,922.03)	-
44,028.27	-
32,854.23	-
(63,966.01)	-
(1,030,869.81)	(114,073.37)
94,378.07	572.60
98,781.92	-
56,344.60	-
<u>\$ 18,432,305.67</u>	<u>\$ (722,593.96)</u>
\$ (61,713.53)	\$ -
2,563,947.70	-
\$ 26,402,674.64	\$ 8,341,470.51
24,376,421.00	-
1,429,393.08	-
<u>\$ 52,208,488.72</u>	<u>\$ 8,341,470.51</u>



**CITY OF RAPID CITY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 704,107.68
Investments	327,758.73
TOTAL ASSETS	<u><u>\$ 1,031,866.41</u></u>
LIABILITIES:	
Accounts Payable	\$ 96,783.43
Due to Other Organizations	935,082.98
Total Liabilities	<u><u>\$ 1,031,866.41</u></u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

The reporting entity of the City of Rapid City (the City) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments and offices that make up the legal entity, plus those for which the primary government has a fiduciary responsibility); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City.

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 discretely reported component unit on the City's Statement of Position and Statement of Activities as the MARC is financially dependent on the City. A complete financial statement can be obtained at the MARC Administrative Office, located at 222 New York St., Rapid City SD 57701.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. 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 are financed in whole or in part by fees charged to external parties for goods or services. Discretely presented component units are legally separate organizations that meet certain criteria, as described in note 1.A, above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.A., above.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs 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.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

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

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

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

Fund Financial Statements (Continued):

A fund is considered major if it is the primary operating fund of the City or it 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year or because of public interest in the fund's operations.

The funds of the City financial reporting entity are described below:

Governmental Funds

General Fund - the General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes. The City reports the following major special revenue funds:

Vision Fund (Formerly "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.

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 - permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs - that is for the benefit of the City and its citizenry.

Cemetery Perpetual Care Fund accounts for the payments received for perpetual care of cemeteries which is permanently set aside and for which only the income from the trust fund investments is used for care and maintenance of the cemetery. (SDCL 9-32-18) This is not a major fund.

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

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

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to report any activity for which a fee is charged to external customers for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit, even if that government is not expected to make any payments, is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)
2. Laws or regulations require that the activity's costs of providing services, including capital costs such as depreciation or debt service, be recovered with fees and charges, rather than with taxes or similar revenues.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service.

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.

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.

Internal Service Funds - internal service funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the primary government on a cost reimbursement basis. The City maintains five internal service funds: Medical Insurance, Liability Insurance, Unemployment Insurance, Dental Insurance and Workers' Compensation Insurance. These funds are utilized to account for the corresponding insurances. Internal Service Funds are never considered to be major funds.

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)

Fiduciary Funds (Not included in government-wide statements)

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are never considered to be major funds. The agency funds are as follows:

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

Measurement Focus and Basis of Accounting

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

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental, business-type and component unit activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary and fiduciary fund types.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental, business-type and component unit activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recognized when earned (usually when the right to receive cash vests); and expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

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

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

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the City is 60 days.

Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met. Reported deferred revenues, which include property tax special assessment and grant revenue are those where asset recognition criteria have been met but for which revenue recognition have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary and fiduciary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

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 cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. 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.

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

As of December 31, 2012, the City had the following in the cash with fiscal agent accounts:

Investment	Credit	Total	Less than 1 Year	1-5 Years	5-10 Years
Cash on Hand	N/A	312,145.43	312,145.43		
Money Market	N/A	6,222,745.24	6,222,745.24		
Certificates of Deposit	N/A	2,778,597.00	2,574,500.00	204,097.00	
Repurchase Agreement	N/A	3,642,475.00		3,642,475.00	
US Treasury Note	AAA	15,867,248.15	15,867,248.15		
US Government Sponsored Enterprises:					
Freddie Mac Bonds	AAA	1,361,419.02		1,361,419.02	
Total		30,184,629.84	24,664,493.39	5,207,991.02	

As of December 31, 2012, the City had the following investments:

Investment	Credit	Total	Less than 1 Year	1-5 Years	5-10 Years	10 Years or More
US Treasury Notes	N/A	9,960,839.21		3,645,611.95	4,083,631.93	2,231,595.33
US Treasury Bonds	N/A	285,128.40				285,128.40
US Federal Agency Obligations:						
GNMA (Ginnie Mae) Pool	AAA	17,461.32		17,461.32		
GNMA (Ginnie Mae) Treas	AAA	540,580.21			73,492.78	467,087.43
USDA	AAA	763,420.02				763,420.02
US Government Sponsored Enterprises:						
FNMA (Fannie Mae) Pool	AAA	9,627,741.44		1,449,154.27	2,881,942.45	5,296,644.72
FNMA Notes	AAA	4,113,618.41		759,493.25	3,192,518.16	161,607.00
FNMA Bonds	AAA	252,060.00			252,060.00	
FNMA Treasury	AAA	2,709,657.21		2,676,009.48		33,647.73
FHLMC (Freddie Mac) Pool	AAA	5,981,952.13			563,229.33	5,418,722.80
FHLMC Debentures	AAA	241,362.00			241,362.00	
FHLMC Notes	AAA	5,254,728.01	24,991.44		4,695,711.82	534,024.75
FFCB Bonds	AAA	206,108.00		206,108.00		
FHLB Bonds	AAA	2,773,858.80		1,828,191.80	945,667.00	
Total		42,728,515.16	24,991.44	10,582,030.07	16,929,615.47	15,191,878.18

Presented in the:

Statement of Net Assets	42,400,756.43
Statement of Fiduciary Net Assets	327,758.73
	<u>42,728,515.16</u>

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

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

C. ASSETS, LIABILITIES AND EQUITY (Continued)

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

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

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

Concentration of Credit Risk – The City limits the maximum holding per issue to 10%. More than 5 percent of the City's investments are in repurchase agreements which comprise 5.5% of the investments.

Custodial Credit Risk - Investments – The City's investment policy restricts the maximum holding per institution to 50% of the City's total pooled cash fund. No financial institution held more than 50% of the total pooled cash. All investments are held in the City's name with Merrill Lynch, RBC Wealth Management, Edward Jones, Wells Fargo and MidFirst Bank serving as custodians.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment, except for interest generated by the Cemetery Perpetual Care Fund, which must be credited to the General Fund, and used only for maintenance of the municipal cemetery, as required by SDCL 9-32-18.

INTERFUND ELIMINATIONS AND RECLASSIFICATIONS

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

1. In order to minimize the grossing-up effect on assets and liabilities within the governmental 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.
2. In order to minimize the doubling-up effect on the internal services fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to the funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged in this manner, expense reduction occurs in the General Fund, so that expenses are only reported in the function to which they relate.

Fund Financial Statements

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

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

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

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

RECEIVABLES

Receivables are not aggregated in these financial statements. The City expects all receivables to be collected within one year; except for the Infrastructure Development Partnership Fund Notes Receivables totaling \$2,411,053.81 at December 31, 2012 that have a maximum repayment term of 10 years and the Life Safety Loan Receivable totaling \$17,460 at December 31, 2012 that have a maximum repayment term of 7 years. Appropriate allowances for estimated uncollectible accounts have been established based on the City's knowledge of current environmental conditions and historical losses.

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

Governmental Activities: Property taxes are levied on or before October 1 of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The City is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation on taxable real property in the City.

RESTRICTED ASSETS

Certain assets are classified as restricted on the Statement of Net Position. 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

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 are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The accounting treatment over capital 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

Capital assets are valued at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets that are valued at their estimated fair value on the date donated. Capital assets donated by developers are recorded at estimated cost. Historical cost was used to value the majority of the assets.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems and lighting systems, acquired prior to January 1, 1980, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 1980 are recorded at cost and are classified as "Improvements Other than Buildings".

For governmental activities capital assets, construction-period interest is not capitalized in accordance with USGAAP, while for capital assets used in business-type activities/proprietary fund's operations, construction-period interest is capitalized in accordance with USGAAP.

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

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

Government-Wide Statements (Continued)

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

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

Land is an inexhaustible asset and is not depreciated. Construction in Progress is not depreciated.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

INVENTORIES

Inventories in all funds are stated at the lower of cost or market, using the first-in, first-out method cost flow assumption. Inventories consist of sand, salt and chemicals for snow removal, service connection repair materials and concession items.

Government-wide Financial Statements: In the government-wide financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed.

Fund Financial Statements: In the fund financial statements, purchase of supply inventory items are recorded as expenditures at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

COMPENSATED ABSENCES

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

LONG-TERM LIABILITIES

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

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

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis, the same in the fund statements as in the government-wide statements.

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

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

EQUITY CLASSIFICATIONS

Government-Wide Financial Statements

Equity is classified as Net Position and is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – Consists of net position 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 Position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between “Nonspendable”, “Restricted”, “Committed”, “Assigned” and “Unassigned” components. Proprietary fund equity is classified the same as in the government-wide financial statements. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

Application of Net Position

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

Fund Balance Classification Policies and Procedures

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

1. Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
2. Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
3. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through the adoption of an ordinance or policy by the Rapid City Common Council and does not lapse at year end.
4. Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Council or by an official or body to which the City Council delegates the authority.
5. Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

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

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)

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.

PROPRIETARY FUNDS REVENUE AND EXPENSE CLASSIFICATION

In the proprietary funds Statement of Revenues, Expenses and Changes in Fund Net Position, 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, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets not being depreciated:				
Land	\$ 41,976,562.38	\$ 999,619.88		\$ 42,976,182.26
Construction in Progress	14,026,933.47	13,196,976.08	(18,143,123.53)	9,080,786.02
Total capital assets not being depreciated	56,003,495.85	14,196,595.96	(18,143,123.53)	52,056,968.28
Capital Assets being depreciated:				
Buildings	66,417,495.19	5,293,573.02	(8,470.00)	71,702,598.21
Improvements	262,644,785.43	14,122,517.26		276,767,302.69
Machinery and Equipment	26,571,566.37	1,441,446.97	(318,962.76)	27,694,050.58
Total capital assets being depreciated	355,633,846.99	20,857,537.25	(327,432.76)	376,163,951.48
Less accumulated depreciation for:				
Buildings	(13,529,802.71)	(1,228,426.84)	3,329.75	(14,754,899.80)
Improvements	(113,808,278.13)	(12,141,787.30)		(125,950,065.43)
Machinery and Equipment	(19,039,353.09)	(1,599,165.64)	279,337.49	(20,359,181.24)
Total accumulated depreciation	(146,377,433.93)	(14,969,379.78)	282,667.24	(161,064,146.47)
Total capital assets being depreciated, net	209,256,413.06	5,888,157.47	(44,765.52)	215,099,805.01
Governmental activities capital assets, net	\$ 265,259,908.91	\$ 20,084,753.43	\$ (18,187,889.05)	\$ 267,156,773.29

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

Total General Government	\$ 523,729.29
Total Public Safety	653,452.59
Total Health and Welfare	356,132.38
Total Public Works	12,011,034.40
Total Culture and Recreation	1,423,779.91
Total Community /Economic Development	1,251.21
Total Governmental depreciation expense	\$ 14,969,379.78

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, 2012 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	\$ 15,780,106.66	\$ 25,631.75		\$ 15,805,738.41
Construction in Progress	47,586,466.68	41,021,700.06	(27,482,227.91)	61,125,938.83
Total capital assets not being depreciated	63,366,573.34	41,047,331.81	(27,482,227.91)	76,931,677.24
Capital Assets being depreciated:				
Buildings	141,303,275.23	612,541.57		141,915,816.80
Improvements	262,404,057.08	30,006,944.23		292,411,001.31
Machinery and Equipment	24,729,420.86	619,745.15	(535,922.50)	24,813,243.51
Total capital assets being depreciated	428,436,753.17	31,239,230.95	(535,922.50)	459,140,061.62
Less accumulated depreciation for:				
Buildings	(42,451,479.63)	(2,673,603.56)		(45,125,083.19)
Improvements	(95,373,262.28)	(6,312,768.42)		(101,686,030.70)
Machinery and Equipment	(14,242,344.35)	(1,590,795.74)	482,330.25	(15,350,809.84)
Total accumulated depreciation	(152,067,086.26)	(10,577,167.72)	482,330.25	(162,161,923.73)
Total capital assets being depreciated, net	276,369,666.91	20,662,063.23	(53,592.25)	296,978,137.89
Business-type activities capital assets, net	<u>\$ 339,736,240.25</u>	<u>\$ 61,709,395.04</u>	<u>\$ (27,535,820.16)</u>	<u>\$ 373,909,815.13</u>

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

Total Water Enterprise	\$ 2,644,787.13
Total Wastewater Enterprise	1,929,261.96
Total Airport Enterprise	1,978,402.95
Total Solid Waste Disposal Enterprise	468,356.45
Total Solid Waste/MRF Enterprise	531,733.06
Total Civic Center Enterprise	1,960,623.32
Total Solid Waste Collection Enterprise	380,792.14
Total Executive Golf Enterprise	18,604.80
Total Cemetery Enterprise	29,348.04
Total Golf Course Enterprise	139,106.66
Total Parking Lot Area Enterprise	88,349.97
Total Ambulance Enterprise	220,808.91
Total Energy Plant Enterprise	19,953.42
Total Transportation Terminal Enterprise	167,038.91
Total Enterprise depreciation expense	<u>\$ 10,577,167.72</u>

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

NOTE 3. CONSTRUCTION COMMITMENTS

Construction commitments in the amount of approximately \$60.7 million as of December 31, 2012 were as follows:

Governmental Activities		Total Costs		
Project Number	Project Description	As of 12/31/2012	Total Contract	Remaining
11-1925	2012 4" Watermain Replacement	3,000.00	37,000.00	34,000.00
11-1926	Mt Rushmore Utilities	104,195.17	207,091.50	102,896.33
11-1945	Jackson Blvd/W Main Intersection	57,852.39	90,056.00	32,203.61
11-1947	Seger Dr Reconstruction	17,662.08	160,000.00	142,337.92
11-1951	Leland Lane/Rushmore St Reconstruction	9,077.19	355,386.26	346,309.07
11-1957	S Berry Pine	2,850.00	36,468.93	33,618.93
11-1977	Enchantment Rd SS Extension	577.63	12,000.00	11,422.37
12-1980	Minnekahta Dr Reconstruction	4,209.68	276,843.71	272,634.03
12-2002	Memorial Park Irrigation	67,840.83	427,469.45	359,648.62
12-2005	Kansas City St Reconstruction	159,806.85	2,746,073.55	2,586,266.70
12-2020	Silver St Area Utility Impr Ph 2	12,746.58	469,636.65	456,890.07
12-2032	Dyess Ave Drainage Channel	88,371.69	104,835.00	16,463.41
12-2037	Arrowhead Drainage	19,380.73	66,730.00	47,349.27
12-2043	ASA Softball Fields	35,035.00	116,880.00	81,845.00
12-2047	W St Cloud & Harmony Lane Utilities	6,033.20	48,148.00	42,114.80
04-1397	East Anamosa Street Extension	250,963.10	1,303,046.68	1,052,083.58
08-1511	E Blvd/E North Reconstruction	2,311,717.64	5,484,761.85	3,173,044.21
08-1743	Canyon Lake Dam Reconstruction	341,852.57	4,293,324.21	3,951,471.64
09-1509	Jackson Blvd Utilities	943,525.87	12,200,914.22	11,257,388.35
09-1817	Downtown St Impr Ph2	233,293.98	2,833,064.76	2,599,770.78
10-1777	Elm Ave Reconstruction	1,684,600.63	3,472,071.41	1,787,470.78
10-1837	Jackson Blvd Utility	46,313.16	117,084.00	70,770.84
10-1876	Storm Damage Recovery	161,309.88	1,133,168.29	971,858.41
12-1187	West Chicago & Staton Place Reconstruction	21,861.25	2,002,294.36	1,980,433.11
12-1849	SRC Soccer Complex	9,306.18	281,481.50	272,175.32
13-2054	Heidiway Lane Utility Extension	3,000.00	122,320.51	119,320.51
	106 E Main Improvements	15,362.78	162,276.54	146,913.76
	New Station 1	1,268.75	129,320.00	128,051.25
Total Governmental Activities		6,613,014.71	38,689,767.38	32,076,752.67
Business-Type Activities				
11-1926	Mt Rushmore Utilities	53,451.93	120,000.00	66,548.07
11-1925	2012 4" Watermain Replacement	-	448,000.00	448,000.00
11-1928	WRF Pretreatment Improvements	2,086,330.57	2,119,161.00	32,830.43
11-1936	Ellsworth AFT Water Main Pit	16,392.75	89,010.00	72,617.25
11-1945	Jackson Blvd/W Main Intersection	29,550.64	46,000.00	16,449.36
11-1947	Seger Dr Reconstruction	5,675.54	104,950.00	99,274.46
11-1951	Leland Lane & Rushmore St Reconstruction	81,694.95	931,889.88	850,194.93
11-1957	S Berry Pine	-	510,775.07	510,775.07
11-1961	West Blvd SS Reconstruction	62,295.54	629,905.83	567,610.29
11-1974	Landfill Cells 15 & 16 Liner & Leachate Desig	39,213.96	641,460.42	602,246.46
11-1977	Enchantment Rd SS Extension	229,432.65	554,112.39	324,679.84
12-1980	Minnekahta Drive Watermain	22,100.77	1,049,089.65	1,026,988.88
11-1992	RC Regional Airport Transmission Loop	613,007.32	767,227.00	154,219.68
11-1999	Elk Vale Lift Station Upgrades	1,259,513.97	5,511,955.54	4,252,441.57
12-2005	Kansas City St Reconstruction	88,110.95	735,184.08	647,073.13
12-2014	RC Regional Airport Water Main Project Ph 4	824,327.83	867,273.58	42,945.75
12-2020	Silver St Area Utility Impr Ph 2	19,936.93	713,308.35	693,371.42
12-2031	WFR Trickling Filter & Effluent	79,179.80	105,442.00	27,262.20
12-2044	Meadowbrook Maintenance Shop Ph 3	11,223.36	89,507.25	78,283.89
12-2047	W St Cloud & Harmony Lane Utilities	12,245.47	97,725.00	85,479.53
13-2054	Heidiway Lane Utility Extension	-	341,389.49	341,389.49
12-2057	Citizen Campus	188,963.72	3,969,000.00	3,780,036.28
12-2059	E Idaho/Ivy Ave Watermain Extension	282,766.51	480,915.79	198,150.28
04-1397	E Anamosa Street Extension	821,244.27	1,218,746.51	397,501.24
07-1689	Water Treatment Plant Upgrades	1,695,164.19	3,225,068.11	1,529,903.92
08-1511	E Blvd/E North	44,885.00	624,197.48	579,312.48
09-1509	Jackson Blvd Utilities	1,369,300.04	1,404,799.07	35,499.03
09-1817	Downtown Street Improvement	2,565,285.84	5,140,065.23	2,574,779.39
09-1836	JSWT Facility	11,560.97	320,316.58	308,755.61
10-1792	Northridge Water Storage	3,592,737.46	4,057,533.41	464,795.95
10-1837	Jackson Blvd Utility	2,180,664.42	2,491,000.00	310,335.58
10-1858	Jackson Springs WTP Construction	184,004.04	401,339.00	217,334.96
10-1879	Water Reservoir	17,850,932.86	22,247,806.00	4,596,873.14
10-1898	Northridge Water Boost Station	611,230.25	641,756.44	30,526.19
12-1187	West Chicago & Staton Place Reconstruction	737,416.81	769,547.51	32,130.70
	Cargo Apron	119,515.95	740,385.39	620,869.44
	Electrical Vault 6.4	27,924.66	115,478.28	87,553.62
	Main Terminal Expansion	5,299.63	25,259.99	19,960.36
	Meadowbrook Bunker Design	18,974,291.04	19,148,797.00	174,505.96
	Energy Plant Retrofit	18,619.06	59,350.00	40,730.94
		1,899,443.65	3,500,000.00	1,600,556.35
Total Business-Type Activities		58,514,934.20	87,055,727.32	28,540,793.12
Grand Total		65,127,948.91	125,745,494.70	60,617,545.79

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

NOTE 3. CONSTRUCTION COMMITMENTS (continued)

Funding for these projects is provided from dedicated sales tax funds (Vision 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.

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, 2012, the governmental long-term debt of the financial reporting entity consisted of the following:

Revenue Bonds

Portion of Sales Tax Revenue Refunding Bonds, Series 2008 serviced by the Consolidated Construction Special Revenue Fund (22 percent). Interest paid in 2012 was \$16,552.80. See long-term debt schedule for business-type activities for a full description of this bond issue.

\$424,600.00

\$16,270,000 Sales Tax Revenue Bonds, Series 2005. Due in semi-annual installments of \$290,000 to \$915,000 through June 2016. Interest at 2.65 to 4.75 percent. (This issue is being serviced by the Utility Facilities Fund.) Interest paid in 2012 was \$286,305.

6,035,000.00

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

8,055,000.00

14,514,600.00

Unamortized deferred premium

137,356.00

\$14,651,956.00

Compensated Absences:

Accrued Leave Payable General Fund

1,990,563.77

Accrued Leave Payable Other Government Funds

17,863.40

\$2,008,427.17

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Financing (Capital Acquisition) Leases

\$727,295.01 under an agreement with Wells Fargo Brokerage Services, LLC, dated June 10, 2008 for the purchase of an aerial fire truck, which is security for the Lease. Due in semi-annual installments of \$60,775.84, including interest of 4.33 percent. The final payment is due June 10, 2015. The lease is serviced by the General Fund. Interest paid in 2012 was \$15,791.55.

\$285,097.76

\$721,380.00 under an agreement with Wells Fargo Securities, LLC, dated September 15, 2010. for the purchase of a fire engine, which is security for the Lease. Due in annual installments of \$197,937.41, including interest of 3.83 percent. The final payment is due September 15, 2014. The lease is serviced by the Consolidated Construction Special Revenue Fund (Fire Department Interest paid in 2012 was \$21,106.04.

374,240.06

Total Leases

\$659,337.82

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

Tax Increment Financing District (TID) Liabilities

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

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

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

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

At December 31, 2012, there were 16 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, 2012. The maximum payoff amounts represent the amount of future tax revenues that were pledged at the time of certification. Increment property taxes are projected to produce 100 % of the maximum debt service requirements presented below.

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Tax Increment Financing District (TID) Liabilities (Continued)

During the year ended December 31, 2012, principal and interest expenditures and property tax revenues were \$6,036,150.87 and \$6,356,352.59, respectively. These amounts include property tax revenues and principal and interest expenditures related to improvements within tax increment districts funded with City debt or reserves. Each of the individual debt issues listed below have their own debt service fund from which the debt is serviced.

TID 29 – Fiberswitch Technology – Created in 1998, maximum payoff \$90,480 including interest at 9.0 percent, expires 10/5/2018.	\$76,223.32
TID 38 – Heartland Business – Created in 2003, maximum payoff \$6,360,879 including interest at 6.6 percent, expires 2/13/2023.	1,513,460.87
TID 39 – E Rapid Plaza – Created in 2003, maximum payoff \$1,276,274 including interest at 6.0 percent, expires 4/21/2023.	371,205.05
TID 40 – SoCreek Village – Created in 2003, maximum payoff \$1,140,164 including interest at 7.0 percent, expires 5/19/2023.	466,542.38
TID 41 – 5 th Street – Created in 2005, maximum payoff \$4,391,907.25 including interest at 7.5 percent, expires 6/22/2025.	969,881.80
TID 44 – Mall Drive – Created in 2004, maximum payoff \$7,822,706.77 including interest at 6.0 percent, expires 4/19/2024.	1,270,399.14
TID 47 – Tower Road – Created in 2004, maximum payoff \$5,027,671.00 including interest at 6.5 percent, expires 10/4/2024.	4,137,267.36
TID 50 – Federal Beef – Created in 2004, maximum payoff \$17,545,368.55 including interest at 6.0 percent, expires 12/20/2024.	4,521,346.68
TID 52 – E. St Charles – Created in 2005, maximum payoff \$1,250,106.68 including interest at 5.85 percent, expires 5/2/2025.	398,178.98
TID 53 – Stony Creek Plaza – Created in 2005, maximum payoff \$3,199,074 including interest at 8.0 to 9.75 percent, expires 7/5/2025.	260,647.15
TID 54 – Rainbow Ridge – Created in 2005, maximum payoff \$5,106,456.72 including interest at 7.0 percent, expires 10/3/2025.	1,839,343.15
TID 56 – Rushmore Crossing – Created in 2005, maximum payoff \$24,471,390.38 including interest at 6.75 percent, expires 11/21/2025.	9,794,412.16
TID 61 – Villagio – Created in 2006, maximum payoff \$2,978,711.65 including interest at 6.75 percent, expires 10/2/2026.	1,698.52
TID 63 – Copperfield Vistas – Created in 2007, maximum payoff \$8,078,019.27 including interest at 7.5 percent, expires 6/4/2027.	457,025.57
TID 65 – Minnesota Street – Created in 2007, maximum payoff \$33,956,176.65 including interest at 6.5 percent, expires 9/4/2027.	5,651,984.22
TID 68 – Homestead – Created in 2008, maximum payoff \$2,257,786.04 including interest at 9.0 percent, expires 4/21/2028.	<u>473,409.31</u>
Total Tax Increment District Liabilities	<u>32,203,025.66</u>

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Other Post Employment Benefit Liabilities (Note 11)	<u>1,967,882.25</u>
Total Liabilities Payable	<u>\$51,490,628.90</u>

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

Gross amount of assets recorded under capital leases	\$1,648,176.00
Accumulated depreciation – Public Safety	<u>(508,903.91)</u>
Net assets recorded under capital leases	<u>\$1,139,272.09</u>

The annual requirements for maturity for governmental activities long-term debt (excluding compensated absences and other post-employment benefits) outstanding as of December 31, 2012, are as follows:

Year Ending December 31	General Debt Obligations		Capital Lease Obligations		TID Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	5,805,821.00	573,565.60	293,993.14	25,495.96	4,763,390.88	2,238,800.36
2014	6,059,335.00	317,949.20	305,856.75	13,632.33	4,522,171.88	1,686,239.40
2015	1,871,800.00	89,406.50	59,487.93	1,287.91	4,527,158.47	1,441,076.11
2016	915,000.00	17,156.25	-	-	4,031,859.83	1,184,720.18
2017	-	-	-	-	2,260,525.70	931,898.26
2018-2022	-	-	-	-	9,776,928.71	747,263.55
2023-2027	-	-	-	-	2,221,550.60	114,324.47
2028	-	-	-	-	99,439.59	2,991.36
TOTALS	\$ 14,651,956.00	\$ 998,077.55	\$ 659,337.82	\$ 40,416.20	\$32,203,025.66	\$ 8,347,313.69

The above noted annual requirements for maturity for the tax increment financing debt are based on actual tax increment revenues received in 2012; estimated tax increment revenues projected by Pennington County to receive in 2013; and estimated tax increment revenues as per the approved project plans.

Business-Type Activities:

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

	Water Fund	Wastewater Fund	Parking Lot Fund	Airport Fund
CY Principal and Interest	\$2,319,712.50	\$1,036,097.50	\$202,022.50	\$1,357,522.50
Pledged Revenue	\$3,367,026.72	\$10,668,467.90	\$743,220.83	\$1,460,217.92

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

As of December 31, 2012, the long-term debt payable from proprietary fund resources consisted of the following:

\$2,465,000 Parking Revenue Bond of 2008. Due in annual installments of \$30,000 to \$345,000 through 2028. Interest at 3.5 to 5.7 percent. (This issue is being financed by pledged Parking Facility revenue). Interest expense in 2012 was \$117,022.50.	\$2,195,000.00
\$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 2012 was \$75,240.00	1,930,000.00
\$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 2012 was \$206,150.	4,715,000.00
\$1,330,000 Certificate of Participation (AMT), Series 2004. Due in annual installments of \$115,000 to \$155,000 through 2014. Interest at 2.75 to 5.40 percent. (This issue is being serviced by the Airport Enterprise Fund). Interest expense in 2012 was \$20,205.	310,000.00
\$45,100,000 Water Revenue Bonds of 2009. Interest only payments are due in years 2012-2016. Due in annual installments of \$120,000 to \$3,360,000 through 2039. Interest at 4.0 to 5.25 percent. (This issue is being serviced by pledged Water Enterprise Fund revenues.) Interest expense in 2011 was \$2,319,712.50.	45,100,000.00
\$5,000,000 Loan No. 6 from State Revolving Fund of 2011. Due in quarterly installments through 2031. Interest at 3.0 percent. (This issue is to be serviced by pledged Wastewater Fund revenues). Interest expense in 2012 was \$99,555.30.	4,875,059.94
\$4,210,000 Airport CFC Bonds of 2010. Due in annual installments through 2030. Interest at 6.00 to 7.00 percent. (This issue is to be serviced by pledged Airport Customer Facility Charge revenue). Interest expense in 2012 was \$270,400.	3,965,000.00
\$10,605,000 Wastewater Refunding Bonds of 2011. Due in annual installments through 2022. Interest at 1.00 to 3.70 percent. (This issue is to be serviced by pledged Wastewater Fund revenue). Interest expense in 2012 was \$276,097.50.	9,465,000.00
\$11,675,000 Airport PFC Bonds of 2011. Due in annual installments through 2035. Interest at 2.00 to 5.50 percent. (This issue is to be serviced by pledged Airport Passenger Facility Charge revenue). Interest expense in 2012 was \$697,122.50.	11,405,000.00
\$6,000,000 Drinking Water Loan SRF 2 of 2009. Due in quarterly installments through 2031. Interest at 3.0 percent. (This issue is to be serviced by pledged Water Enterprise Fund revenues). Interest expense in 2012 was \$57,669.86.	2,530,170.64
	86,490,230.58

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

Less portion of 2008 Sales Tax Refunding Bonds	
Served by Consolidated Construction Sales Tax Fund (22%).	(424,600.00)
Less unamortized deferred costs on refunding	<u>(689,522.76)</u>
	<u>\$85,376,107.82</u>

Compensated Absences:

Accrued Leave payable from Water Fund	199,438.04
Accrued Leave payable from Wastewater Fund	119,240.90
Accrued Leave payable from Airport Fund	88,825.16
Accrued Leave payable from Civic Center Fund	151,912.73
Accrued Leave payable from Non-major Enterprise Funds	<u>302,571.07</u>
	<u>\$861,987.90</u>

Financing (Capital Acquisition) Leases

\$538,886.00 under an agreement with Wells Fargo Brokerage Services, LLC, dated April 2, 2009 for the purchase of 4 new ambulances, which are security for the Lease. Due in annual installments of \$150,808.97, including interest of 4.67 percent. The final payment is due April 2, 2013. The lease is serviced by the Ambulance Fund. Interest expense in 2012 was \$13,156.91. \$144,080.42

\$2,079,960.00 under an agreement with Wells Fargo Brokerage Services, LLC, dated December 14, 2009 for the purchase of 10 new Solid Waste Collection trucks, which are security for the Lease. Due in annual installments of \$343,091.71, including interest at 3.73 percent. The final payment is due December 14, 2016. The lease is serviced by the Solid Waste Collection Fund. Interest expense in 2012 was \$57,406.12. 1,253,352.50

\$113,521.68 under an agreement with Pioneer Bank, dated August 19, 2010 for a cart barn at Meadowbrook Golf Course which are security for the Lease. Due in monthly installments of \$1,593.67, including interest at 4.75 percent with a balloon payment after 5 years. The final payment is due October 1, 2015. The lease is serviced by the Golf Course Fund. Interest expense in 2012 was \$4,311.94. \$82,443.62

\$297,584.97 under an agreement with Pioneer Bank dated December 3, 2010 for the refinancing of the POS system, which is security for the Lease. Due in 48 installments of \$6,785.97, including interest of 4.50 percent. The final payment is due December 3, 2014. The lease is serviced by the Civic Center Fund. Interest expense in 2012 was \$8,178.56. 136,961.09

\$36,300.00 under an agreement with US Bank, dated September 17, 2010 for the purchase of equipment at the Civic Center, which is security for the Lease. Due in monthly installments of \$1,075.76 including interest at 4.25 percent. The final payment is due September 17, 2013. The lease is serviced by the Civic Center Fund. Interest expense in 2012 was \$699.34. 9,518.99

1,626,356.62

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

Accrued Landfill Closure (Note 15) 1,429,393.08

Other Post Employment Benefit Liabilities (Note 10) 754,085.77

Total Liabilities Payable \$90,047,931.19

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

NOTE 4. LONG-TERM LIABILITIES (Continued)

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

Gross amount of assets recorded under capital leases – buildings	\$150,265.32
Gross amount of assets recorded under capital leases – equipment	3,455,186.11
Accumulated depreciation – Solid Waste	(662,566.24)
Accumulated depreciation – Golf	(22,990.70)
Accumulated depreciation – Civic Center	(134,777.76)
Accumulated depreciation – Ambulance	<u>(532,826.43)</u>
Net assets recorded under capital leases	<u>\$2,252,290.30</u>

The annual requirements for maturity for business-type activities long-term debt (excluding compensated absences, other post-employment benefits and accrued landfill closure) outstanding as of December 31, 2012, are as follows:

TOTAL BUSINESS TYPE ACTIVITIES

Year Ending December 31	General Debt Obligations		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2013	2,486,350.14	4,115,023.48	551,372.71	61,636.41
2014	2,541,140.99	4,047,800.90	374,767.30	39,281.51
2015	2,194,641.32	3,975,168.26	369,462.04	25,981.39
2016	1,920,194.30	3,909,969.04	330,754.57	12,337.15
2017	2,088,103.04	3,845,158.21	-	-
2018-2022	17,082,713.10	17,644,538.15	-	-
2023-2027	16,695,371.82	13,538,586.93	-	-
2028	17,741,609.85	8,960,792.48	-	-
2032-2036	16,140,708.30	4,320,837.50	-	-
2037-2039	6,485,274.96	520,537.50	-	-
TOTALS	\$ 85,376,107.82	\$ 64,878,412.45	\$ 1,626,356.62	\$ 139,236.46

The following is a summary of changes in long-term liabilities for the year ended December 31, 2012:

Primary Government:

Government Activities:	Liabilities			Liabilities Payable 12/31/2012	Due Within One Year
	Payable 1/1/2012	Issued	Retired		
Leases	\$941,929.33	\$0	(\$282,591.51)	\$659,337.82	\$293,993.14
Revenue Bonds	22,949,434.00	0	(8,297,478.00)	14,651,956.00	5,805,821.00
Compensated Absence	1,836,379.37	386,829.98	(214,782.18)	2,008,427.17	80,000.00
TID	32,531,177.44	2,920,498.24	(3,248,650.02)	32,203,025.66	4,763,390.88
Other Post- Employment Benefits	1,667,251.97	300,630.28	(0)	1,967,882.25	845,866.75
Total	\$59,926,172.11	\$3,607,958.50	(\$12,043,501.71)	\$51,490,628.90	\$11,789,071.77

CITY OF RAPID CITY, SOUTH DAKOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 NOTE 4. LONG-TERM LIABILITIES (Continued)

Business Activities:	Liabilities			Liabilities	Due Within
	Payable 1/1/2012	Issued	Retired	Payable 12/31/2012	One Year
Leases	\$2,150,938.80	\$0	(\$524,582.18)	\$1,626,356.62	\$551,372.71
Accrued Landfill Closure (Note 14)	1,381,056.11	48,336.97	-0-	1,429,393.08	-0-
Revenue Bonds	85,625,916.82	2,074,502.00	(2,324,311.00)	85,376,107.82	2,486,350.14
Other Post- Employment Benefits	655,303.85	98,781.92	(0)	754,085.77	324,133.25
Compensated Absence	805,643.30	111,462.08	(55,117.48)	861,987.90	38,500.00
Total	\$90,618,858.88	\$2,333,082.97	(\$2,904,010.66)	\$90,047,931.19	\$3,400,356.10

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivable and payable balances at December 31, 2012 were:

	Interfund Receivable	Interfund Payable
General Fund:	\$1,138,994.44	
Special Revenue Funds:		
Consolidated Construction	322,372.33	
Vision Fund	28,199.01	
Utility Facilities Fund	3,848,523.29	
TID 38 Fund		\$100,000.00
TID 39 Fund		1,005,965.33
TID 42 Fund		3,039,848.66
TID 56 Fund		1,238,737.47
Total Governmental Funds	\$5,338,089.07	\$5,384,551.46
Enterprise Funds:		
Water Fund	\$673,062.84	\$270,000.00
Wastewater Fund		243,000.00
Golf Course Fund		59,437.93
Civic Center Fund	199,251.85	
Ambulance Fund		54,162.52
Energy Plant Fund		199,251.85
Total Enterprise Funds	\$872,314.69	\$825,852.30

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 \$54,162.52.

The General Fund loaned monies to Tax Increment District 39 Fund for infrastructure improvements. The current portion expected to be repaid to the General Fund is \$20,044.62.

The Vision fund loaned monies to the Golf Course Fund to construct a pro shop. The current portion expected to be repaid to the Vision fund is \$28,199.01.

The Consolidated Construction Fund loaned monies to Tax Increment District 38 and 39 Funds to construct water mains. The current portion expected to be repaid to the Consolidated Construction Fund is \$4,701.83.

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 \$240,113.80.

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

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

The Civic Center Fund loaned monies to the Energy Plant Fund for short-term cash flow needs while waiting for reimbursement from the Civic Center and the Rapid City Area School District. The current portion expected to be repaid is \$199,251.85.

The Consolidated Construction Fund loaned monies to the Golf Fund for infrastructure improvement. The current portion expected to be repaid is \$9,982.70.

The Water Fund loaned monies to Tax Increment District 42 Fund for the construction of water infrastructure. The current portion expected to be paid to the Water Fund is \$92,852.27

Interfund transfers during the year ended December 31, 2012 were as follows:

	Transfers In	Transfers Out
GENERAL FUND		
Enterprise-Major		
Water	\$169,837.00	
Wastewater	105,925.00	
Civic Center	51,454.00	
Nonmajor Enterprise	76,457.00	190,010.80
Internal Service Funds	350,000.00	
Total General Fund	\$753,673.00	\$190,010.80
OTHER GOVERNMENTAL FUNDS:		
Vision Sales Tax Fund		
Consolidated Construction		\$666,615.00
Civic Center		275,216.11
Nonmajor Enterprise		1,764,593.65
Total Vision Sales Tax Fund		\$2,706,424.76
Consolidated Construction		
Vision Fund	\$666,615.00	
Nonmajor Enterprise		\$173,368.14
Total Consolidated Construction	\$666,615.00	\$173,368.14
Utility Facilities Fund		
Water		\$275,000.00
Wastewater		2,633,420.00
Total Utility Facilities Fund		\$2,908,420.00
Nonmajor Governmental		
Water		\$2,190,242.52
Total Nonmajor Governmental		\$2,190,242.52
Total Governmental Funds	\$1,420,288.00	\$8,168,466.22

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

NOTE 5. INTERFUND TRANSACTIONS AND BALANCES (continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
ENTERPRISE FUNDS:		
Water		
General		\$169,837.00
Utility Facilities	\$275,000.00	
Nonmajor Enterprise		1,513.70
Nonmajor Governmental	2,190,242.52	
Wastewater	18,789.05	
Total Water	<u>\$2,484,031.57</u>	<u>\$171,350.70</u>
Wastewater		
General		\$105,925.00
Water		18,789.05
Nonmajor Enterprise	\$351.45	
Utility Facilities	2,633,420.00	
Total Wastewater	<u>\$2,633,771.45</u>	<u>\$124,714.05</u>
Civic Center		
General		\$51,454.00
Vision Fund	\$275,216.11	
Total Civic Center	<u>\$275,216.11</u>	<u>\$51,454.00</u>
Nonmajor Enterprise		
General	\$190,010.80	\$76,457.00
Consolidated Construction	173,368.14	
Vision Fund	1,764,593.65	
Water	1,513.70	
Wastewater		351.45
Total Nonmajor Enterprise	<u>\$2,129,486.29</u>	<u>\$76,808.45</u>
Total Enterprise	<u>\$7,522,505.42</u>	<u>\$424,327.20</u>
INTERNAL SERVICE FUNDS		
Health Insurance Fund		\$350,000.00
Total Transfers	<u>\$8,942,793.42</u>	<u>\$8,942,793.42</u>

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

CITY OF RAPID CITY, SOUTH DAKOTA
 NOTES TO BASIC FINANCIAL STATEMENTS
 NOTE 6. DUE FROM OTHER GOVERNMENTS

GOVERNMENTAL FUNDS:

General Fund	
Local Government Highway/Bridge	\$128,256.28
Motor Vehicle	17,068.32
Liquor Tax Reversion	89,685.80
Air Quality Grant	12,412.44
Historic Preservation	4,389.85
Police Grant	40,162.46
Police Bullet Proof Vest Grant	2,640.00
Blood Testing	9,275.00
School Liaison	7,437.50
Re-entry Program	8,874.54
Homeland Security	36,697.86
Fire Reimb from Pennington County	14,128.58
Fire Grant	4,500.00
Police Reimb from other Agencies	107,030.86
Urban Mass Transit Grant	95,099.82
Transportation Planning	132,976.89
Total	<u>\$710,636.20</u>

Consolidated Construction Fund	
Transportation Planning	\$609,958.15
Consolidated Grant	104,731.24
Total	<u>\$714,689.39</u>

Nonmajor Governmental Funds	
RSVP Grant	\$9,526.73
Cemetery Perpetual Care - Fees	60.96
Community Development Grant	98,537.96
Total	<u>\$108,125.65</u>
Total Governmental Funds	<u>\$1,533,451.24</u>

ENTERPRISE FUNDS:

Water	
Consolidated Grant	<u>\$59,057.31</u>

Wastewater	
STAGG Grant	<u>\$64,277.00</u>

Airport Fund	
Airport Improvement Project	\$411,904.97
FBI Building Rental	700.00
TSA Gate Fees	100.00
LEO Reimbursement	8,691.30
Total	<u>\$421,396.27</u>

Civic Center Fund	
Facility Rental	<u>\$4,908.70</u>

Nonmajor Proprietary Funds	
Energy Plant – Due from RCAS	\$53,274.02
Cemetery	1,299.52
Total	<u>\$54,573.54</u>
Total Proprietary Funds	<u>\$604,212.82</u>

Grand Total	<u>\$2,137,664.06</u>
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CITY OF RAPID CITY, SOUTH DAKOTA
 NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. SEGMENT INFORMATION

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

BALANCE SHEET – DECEMBER 31, 2012

Assets	
Current Assets	\$1,012,248.00
Capital Assets	6,470,169.45
Total Assets	<u>\$7,482,417.45</u>
Liabilities	
Other Current Liabilities	\$91,645.92
Noncurrent Liabilities	2,100,517.87
Total Liabilities	<u>\$2,192,163.79</u>
Net Position	
Net Investment in Capital Assets	\$4,284,651.58
Restricted - Revenue Bond Retirement	204,098.00
Unrestricted	801,504.08
Total Net Position	<u>\$5,290,253.66</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – FOR THE YEAR ENDED DECEMBER 31, 2012

Operating Revenue	\$743,220.83
Depreciation Expense	(88,349.97)
Other Operating Expenses	(437,918.80)
Operating Income	216,952.06
Investment Income	6,712.05
Interest Expense	(101,683.65)
Net Income	121,980.46
Transfers	(13,658.00)
Changes in Net Position	108,322.46
Beginning Net Position	5,181,931.20
Ending Net Position	<u>\$5,290,253.66</u>

STATEMENT OF CASH FLOWS – FOR THE YEAR ENDED DECEMBER 31, 2012

Net Cash Provided (used) by:	
Operating Activities	\$255,459.39
Noncapital Finance Activities	(13,658.00)
Capital and Related Financing Activities	(186,116.02)
Investing Activities	6,148.20
Net Increase	61,833.57
Beginning Cash and Equivalents	371,823.29
Ending Cash and Equivalents	<u>\$433,656.86</u>

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, 2012, there were 4 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 \$25,795,000.

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

NOTE 9. RETIREMENT PLAN

All employees, except for part-time employees, 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 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, 2012, 2011 and 2010 are \$2,355,191.52, \$2,286,131 and \$2,266,781 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 660 active participants and 144 retirees who are participating in the plan. The health plan does not issue separately stated stand-alone financial statements.

For fiscal year 2012, the City's annual OPEB cost for the retiree health insurance was \$1,569,412. The City's annual OPEB cost, the percentage of annual OPEB costs contributed, and the net OPEB obligation for the year ended December 31, 2012, were as follows:

ARC	\$ 1,574,100
Interest on Net OPEB	75,483
Adjustment to ARC	<u>(80,171)</u>
Annual OPEB Cost	1,569,412
Contributions Made	<u>(1,170,000)</u>
Change in net OPEB obligation	399,412
Net OPEB obligation-beg of year	<u>2,322,556</u>
Net OPEB obligation-end of year	<u>\$ 2,721,968</u>

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
12/31/2009	\$1,173,282	\$444,317	37.87%	\$1,598,370
12/31/2010	\$1,265,479	\$877,553	69.35%	\$1,986,296
12/31/2011	\$1,307,896	\$971,637	74.29%	\$2,322,556
12/31/2012	\$1,569,412	\$1,170,000	74.55%	\$2,721,968

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

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

The funded status of the benefit based on an actuarial update using age-adjusted premiums as of January 1, 2012, was as follows:

Actuarial Present Value of Future Benefits.....	<u>\$29,146,712</u>
Actuarial Accrued Liability.....	\$18,342,552
Actuarial Value of Benefit Assets.....	<u>-</u>
Unfunded Actuarial Accrued Liability.....	<u>\$18,342,552</u>
Funded Ratio.....	0.0%
Covered Payroll.....	\$33,436,443
Unfunded Actuarial Accrued Liability as a percentage Of Covered Payroll.....	54.9%

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

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of benefit assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The City's agreement with retired employees is for single or family health insurance coverage and the retiree is responsible for 100% of the active premium rates unless the retiree was employed with the City prior to 1982. If the retiree was employed with the City prior to 1982, the City pays 100% of the active premium rates for the retiree only. For fiscal year 2012, the monthly rates were \$404 for single coverage; \$808 for two-party; \$1,236 for family (up to 4); \$1,360 for family (5+); and \$358 Medicare single. The contribution requirements of the covered retirees are established and may be amended by the City Council.

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

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

The entry age normal actuarial cost method was used to determine the annual required contribution. The actuarial value of assets is equal to the fair value of the assets. The actuarial assumptions included a 3.25% investment rate of return. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3.25%. The health care cost trend rates are as follows:

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

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

Fiscal Year	Expense Rate
2012	8.1%
2013	8.5%
2014	7.2%
2015	6.7%
2016	6.6%
2017	6.3%
2018	6.0%
2019	5.8%
2020-2030	5.7%
After 2031	4.7-6.7%

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 BALANCES/NET POSITION OF INDIVIDUAL NONMAJOR FUNDS:

As of December 31, 2012, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown: TID 56 (\$1,166,899.91), TID 39 (\$1,005,965.05), and TID 42 (\$3,012,499.03), all of which will be funded through property tax revenues received on the respective tax increment district. In addition, there was a deficit fund balance in the Workers Compensation Fund (\$556,623.82) and Liability Insurance Fund (\$93,820.18), which will be funded through charges to the various departments.

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, 2012:

General – Transfers Out	\$50,000.00
Consolidated Construction – Transfers Out	173,368.14
TID 65 – Debt Service	277,798.22
TID 50 – Debt Service	145,968.49
TID 52 – Debt Service	20,863.18
TID 47 – Debt Service	201,888.75
TID 39 – Debt Service	18,570.67
Rehabilitation – Community Development	87,790.40

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.

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

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. During the period ended December 31, 2012, the City carried 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 (\$556,623.82) in the medical insurance fund of \$8,082,977.44, in the unemployment insurance fund of \$194,895.35, in the liability insurance fund of (\$93,820.18) and in the dental insurance fund of \$100,936.52 for the payment of such future claims.

Changes in the aggregate liabilities of the self-insurance funds during 2012 were as follows:

	Liability Insurance	Dental Insurance	Workers Comp. Insurance	Medical Insurance	Unempl. Insurance
Benefit Claims Payable at Beginning of Year	\$338,518.69	\$6,842.60	\$1,802,132.57	\$524,795.78	\$0.00
Claims Incurred: Attributable to Insured Events of the Current Year	465,663.10	172,470.56	920,321.29	6,648,188.05	49,112.48
Claims Paid: Attributable to Insured Events of the Current and Prior Years	(305,137.34)	(172,778.36)	(1,082,252.04)	(6,760,544.63)	(49,112.48)
Benefit Claims Payable At End of Year	\$499,044.45	\$6,534.80	\$1,640,201.82	\$412,439.20	\$0.00

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

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 \$1,429,393.08 reported as landfill closure and postclosure care liability at December 31, 2012 represents the cumulative amount reported to date based on 28.6 percent of the estimated capacity of the landfill. This liability includes an accrual for remedial action costs. The City will recognize the remaining estimated cost of closure and postclosure care of \$3.571 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 2012. 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, 2012, cash of \$1,429,393.08 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.

NOTE 16. EMERGING ISSUES

The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013. The implementation of this pronouncement will eliminate all deferred bonds costs and be reported as an expense in 2013.

NOTE 17. SUBSEQUENT EVENTS

Subsequent to year-end, the City entered into a capital lease with Wells Fargo for the purchase of snow plows and street sweepers. The total lease amount is \$719,717.50 with an interest rate of 2.56% - 2.84% for five years. This will be financed through the General Fund.

Subsequent to year-end, the City issued \$22,910,000 of Sales Tax Revenue Bonds for street and utility infrastructure improvements. The interest rate is 2.0% - 4.0% for twenty years. This will be financed through the Utility Support Fund.

Subsequent to year-end, the City council authorized the refunding of the 2008 Series Gross Receipts Revenue Bond. As of the date of this report, the refunding had not taken place.

REQUIRED

DRAFT

SUPPLEMENTARY

INFORMATION

CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 13,417,585.00	\$ 13,417,585.00	\$13,762,474.95
313 General Sales and Use Taxes	19,787,268.00	19,787,268.00	22,330,040.05
314 Gross Receipts Business Taxes	665,000.00	665,000.00	674,568.60
320 Licenses and Permits	1,394,950.00	1,394,950.00	1,935,816.08
330 Intergovernmental Revenue:			
331 Federal Grants	1,428,805.00	3,173,499.33	2,130,454.44
334 State Grants	107,721.00	107,721.00	28,425.00
335 State Shared Revenue:			
335.01 Bank Franchise Tax	100,000.00	100,000.00	115,059.51
335.03 Liquor Tax Reversion	300,000.00	300,000.00	379,496.24
335.04 Motor Vehicle Licenses (5%)	-	-	48,172.92
335.06 Fire Insurance Reversion	180,000.00	180,000.00	174,491.88
335.08 Local Government Highway and Bridge Fund	500,000.00	500,000.00	664,604.82
338 County Shared Revenue:			
338.01 County Road Tax (25%)	300,000.00	300,000.00	350,285.84
340 Charges for Goods and Services:			
341 General Government	113,000.00	113,000.00	446,635.92
342 Public Safety	593,480.00	1,024,687.58	1,666,399.21
343 Public Works	20,000.00	20,000.00	34,190.78
345 Health & Welfare	400,000.00	400,000.00	418,604.19
346 Culture and Recreation	1,271,655.00	1,668,887.00	1,560,706.05
349 Conservation & Development	175,000.00	175,000.00	-
350 Fines and Forfeits:			
351 Court Fines and Costs	22,000.00	22,000.00	10,493.19
360 Miscellaneous Revenue:			
361 Interest Earnings	290,000.00	290,000.00	339,697.86
362 Rentals	100,000.00	100,000.00	161,202.39
363 Special Assessments	-	-	150.00
367 Contributions and Donations	-	-	24,759.64
369 Other	423,851.00	424,176.92	18,114.65
Total Revenue	41,590,315.00	44,163,774.83	47,274,844.21

Expenditures:

410 General Government:			
411 Contingency	200,000.00	200,000.00	-
Transferred		(100,000.00)	-
412 Executive-Mayor & Council	544,452.00	631,706.10	565,499.11
414 Financial - Community Resources	375,351.00	434,915.95	368,959.39
414 Financial - Finance	693,202.00	717,673.48	685,308.62
414 Financial - Attorney	18,866.00	105,676.59	69,747.11
414 Financial - COMPASS	227,560.00	220,495.00	118,474.82
419 Other - Government Bldgs	822,311.00	839,911.00	749,292.69
420 Public Safety:			
421 Police	12,175,116.00	12,521,107.20	12,167,543.81
422 Fire	7,829,609.00	8,809,711.44	8,546,041.38
429 Other Protection-Corrections	24,000.00	24,000.00	23,994.86
429 Other Protection-Code Enforcement	238,201.00	255,854.68	213,439.86
429 Other Protection-Comm Dev - Nongrant	22,195.00	23,399.16	22,393.31
430 Other Protection-Re-entry Program	79,296.00	79,501.04	58,703.54

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
429 Other Protection-Emergency Mgt	90,243.00	90,243.00	90,243.00
430 Public Works:			
431 Highways and Streets	6,026,686.00	5,857,998.95	4,828,551.34
43x Administration	477,756.00	498,360.41	350,981.99
440 Health and Welfare:			
441 Health	442,000.00	442,000.00	421,572.73
444 Humane Society	266,220.00	278,318.00	278,318.00
449 Other - Public Transit	1,755,626.00	1,861,383.30	1,844,963.95
449 Other - Air Quality	81,263.00	83,394.26	69,651.97
450 Culture and Recreation:			
451 Recreation	391,677.00	344,209.24	319,626.21
451 Swimming Pools	1,517,181.00	1,499,371.32	1,431,052.94
451 Ice Arena	604,700.00	596,983.83	560,474.57
452 Parks	2,213,818.00	2,478,073.73	2,199,786.79
455 Libraries	2,679,338.00	3,153,807.40	3,113,500.68
457 Historic Preservation	16,000.00	31,347.87	17,106.67
459 Other - Parks & Recreation Admin	207,798.00	390,855.50	378,708.35
459 Other - Subsidies	200,000.00	200,000.00	200,000.00
460 Conservation and Development:			
465 Economic Development	458,000.00	480,000.00	358,000.00
465 Community Development	1,470,658.00	1,504,843.30	1,409,706.64
465 Transportation Planning	426,907.00	453,373.89	272,948.94
465 GIS Information System	73,575.00	69,908.83	63,798.10
470 Debt Service	-	121,552.00	121,551.68
485 Capital Outlay	-	4,241,613.71	2,054,305.35
490 Miscellaneous:			
492 Other Expenditures	-	-	14,759.00
Total Expenditures	<u>42,649,605.00</u>	<u>49,441,590.18</u>	<u>43,989,007.40</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,059,290.00)</u>	<u>(5,277,815.35)</u>	<u>3,285,836.81</u>
Other Financing Sources (Uses):			
391.01 Transfers In	455,127.00	810,127.00	753,673.00
511 Transfers Out	(50,000.00)	(140,010.80)	(190,010.80)
391.02 Long-term debt issued	-	1,019,094.20	-
391.03 Sale of Municipal Property	30,000.00	30,000.00	35,875.79
Total Other Financing Sources (Uses)	<u>435,127.00</u>	<u>1,719,210.40</u>	<u>599,537.99</u>
Net Change in Fund Balances	(624,163.00)	(3,558,604.95)	3,885,374.80
Fund Balance - Beginning	17,865,115.15	17,865,115.15	17,865,115.15
FUND BALANCE- ENDING	<u>\$17,240,952.15</u>	<u>\$14,306,510.20</u>	<u>\$21,750,489.95</u>

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

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

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 11,484,774.00	\$ 11,484,774.00	\$ 11,165,073.63
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	139,553.87
Total Revenue	<u>11,484,774.00</u>	<u>11,484,774.00</u>	<u>11,304,627.50</u>
Expenditures:			
430 Public Works:			
43x Administration	306,949.00	309,449.00	268,096.05
440 Health and Welfare			
441 Health	35,000.00	35,000.00	33,106.80
450 Culture and Recreation			
451 Recreation	-	175,375.00	175,375.00
452 Parks	300,000.00	300,000.00	295,861.29
460 Conservation & Development			
465 Economic Development	600,000.00	600,000.00	568,051.00
470 Debt Service	6,717,950.00	10,717,950.00	6,643,704.14
485 Capital Outlay	3,514,875.00	4,283,749.00	545,114.21
490 Miscellaneous			
492 Other Expenditures	10,000.00	10,000.00	8,837.64
Total Expenditures	<u>11,484,774.00</u>	<u>16,431,523.00</u>	<u>8,538,146.13</u>
Excess of Revenue Over (Under) Expenditures	-	(4,946,749.00)	2,766,481.37
Other Financing Sources (Uses):			
511 Transfers Out	-	(3,393,050.00)	(2,706,424.76)
Total Other Financing Sources (Uses)	-	<u>(3,393,050.00)</u>	<u>(2,706,424.76)</u>
Net Change in Fund Balances	-	(8,339,799.00)	60,056.61
Fund Balance - Beginning	13,917,029.54	13,917,029.54	13,917,029.54
FUND BALANCE- ENDING	<u>\$ 13,917,029.54</u>	<u>\$ 5,577,230.54</u>	<u>\$ 13,977,086.15</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, 2012**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 9,906,828.00	\$ 9,906,828.00	\$ 11,165,020.00
330 Intergovernmental Revenue:			
331 Federal Grants	-	1,116,896.53	1,805,551.17
334 State Grants	-	6,426,082.34	6,000,000.00
340 Charges for Goods and Services:			
341 General Government	-	1,035,483.75	45,827.71
343 Public Works	459,197.00	459,197.00	727,110.35
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	224,166.75
367 Contributions and Donations	-	20,000.00	20,000.00
369 Other	-	-	-
Total Revenue	<u>10,366,025.00</u>	<u>18,964,487.62</u>	<u>19,987,675.98</u>
Expenditures:			
410 General Government:			
414 Financial - Community Resources	200,000.00	201,136.60	185,980.13
419 Other - Government Bldgs	189,792.00	204,588.20	201,196.77
430 Public Works:			
431 Highways & Streets	-	-	-
43x Administration	992,556.00	992,556.00	844,370.88
450 Culture & Recreations			
452 Parks	60,000.00	68,789.50	66,981.75
459 Other - Parks & Rec Administration	149,028.00	149,028.00	149,028.00
470 Debt Service	372,753.00	372,753.00	347,133.01
485 Capital Outlay	8,396,896.00	19,404,294.20	13,900,027.78
490 Miscellaneous			
492 Other Expenditures	5,000.00	5,000.00	330.00
Total Expenditures	<u>10,366,025.00</u>	<u>21,398,145.50</u>	<u>15,695,048.32</u>
Excess of Revenue Over (Under) Expenditures	-	(2,433,657.88)	4,292,627.66
Other Financing Sources (Uses):			
391.01 Transfers In	1,500,000.00	2,166,615.00	666,615.00
511 Transfers Out	-	-	(173,368.14)
391.04 Comp for Loss/Damage to Capital Assets	-	-	1,064,006.16
Total Other Financing Sources (Uses)	<u>1,500,000.00</u>	<u>2,166,615.00</u>	<u>1,557,253.02</u>
Net Change in Fund Balances	1,500,000.00	(267,042.88)	5,849,880.68
Fund Balance - Beginning	14,013,627.92	14,013,627.92	14,013,627.92
FUND BALANCE- ENDING	<u>\$ 15,513,627.92</u>	<u>\$ 13,746,585.04</u>	<u>\$ 19,863,508.60</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, 2012**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (Budgetary Basis)</u>
Revenues:			
310 Taxes:			
313 General Sales and Use Taxes	\$ 1,867,305.00	\$ 1,867,305.00	\$ 3,883,447.01
360 Miscellaneous Revenue:			
361 Interest Earnings	-	-	342,490.37
Total Revenue	<u>1,867,305.00</u>	<u>1,867,305.00</u>	<u>4,225,937.38</u>
Expenditures:			
470 Debt Service	1,861,305.00	1,861,305.00	1,861,305.00
490 Other Expenditures	6,000.00	6,000.00	1,331.75
Total Expenditures	<u>1,867,305.00</u>	<u>1,867,305.00</u>	<u>1,862,636.75</u>
Excess of Revenue Over (Under) Expenditures	-	-	2,363,300.63
Other Financing Sources (Uses):			
511 Transfers Out	-	(2,908,420.00)	(2,908,420.00)
Total Other Financing Sources (Uses)	-	<u>(2,908,420.00)</u>	<u>(2,908,420.00)</u>
Net Change in Fund Balances	-	(2,908,420.00)	(545,119.37)
Fund Balance - Beginning	14,722,016.43	14,722,016.43	14,722,016.43
FUND BALANCE- ENDING	<u>\$ 14,722,016.43</u>	<u>\$ 11,813,596.43</u>	<u>\$ 14,176,897.06</u>

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

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

Note 1. Budgets and Budgetary Accounting:

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

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

The following represents the overdrafts of the expenditures compared to appropriations for governmental funds. These overdrafts are primarily due to the transfer of assets to other funds.

Fund:	Final Budget	Actual Expenditure	Overdraft
General Fund:			
Transfers Out	\$140,010.80	\$190,010.80	\$50,000.00
Consolidated Construction Fund:			
Transfers Out	\$0	\$173,368.14	\$173,368.14

**CITY OF RAPID CITY
 SCHEDULE OF FUNDING PROGRESS
 FOR RETIREE HEALTH INSURANCE COVERAGE
 FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule of Funding Progress for the Retiree Health Insurance Coverage

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2009	\$ -	\$ 12,867,931	\$ 12,867,931	0.0%	\$ 32,525,263	39.6%
12/31/2010	\$ -	\$ 14,813,015	\$ 14,813,015	0.0%	\$ 32,802,511	45.2%
12/31/2011	\$ -	\$ 15,184,543	\$ 15,184,543	0.0%	\$ 32,354,565	46.9%
12/31/2012	\$ -	\$ 18,342,552	\$ 18,342,552	0.0%	\$ 33,436,443	54.9%

DRAFT

OTHER

SUPPLEMENTARY

INFORMATION

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**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	Occupancy Tax Fund	Downtown BID Tax Fund	Erosion/ Sediment Control Fund	TID 66 Fund	TID 67 Fund	TID 70 Fund	TID 68 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 77,785.53	\$ 168,807.94	\$ 56,875.27	\$ 490.86	\$ 251,769.46	\$ 222,291.75	\$ 26,468.50
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	2,237.80	4,958.72	-
110 Property Tax Receivable	-	-	-	-	-	-	-
115 Accounts Receivable, Net	73,014.00	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	159.00	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	8,815.00	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	47.17	429.68	-	0.29	148.66	132.13	15.56
TOTAL ASSETS	\$ 150,846.70	\$ 178,211.62	\$ 56,875.27	\$ 491.15	\$ 254,155.92	\$ 227,382.60	\$ 26,484.06
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	\$ 138,842.24	\$ 168,141.00	\$ 626.58	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	-	-
209 Advance from Other Funds	-	-	-	-	-	-	-
2xx Wages Payable	946.23	-	2,705.60	-	-	-	-
224 Deferred Revenue	-	8,737.00	-	-	-	-	-
Total Liabilities	139,788.47	176,878.00	3,332.18	-	-	-	-
Fund Balances:							
263 Nonspendable	-	-	-	-	-	-	-
263.51 Perpetual Care Cemetery	-	-	-	-	-	-	-
264 Restricted for:	-	-	-	-	-	-	-
264.01 Debt Service	-	-	-	491.15	254,155.92	227,382.60	26,484.06
264.03 Cemetery Perpetual Care	-	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-	-
264.09 Business Improvement District	11,058.23	1,333.62	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-	-
265 Committed to:	-	-	-	-	-	-	-
265.99 Erosion/Sediment Control	-	-	53,543.09	-	-	-	-
266 Assigned to:	-	-	-	-	-	-	-
267 Unassigned	-	-	-	-	-	-	-
Total Fund Balances	11,058.23	1,333.62	53,543.09	491.15	254,155.92	227,382.60	26,484.06
TOTAL LIABILITIES AND FUND BALANCES	\$ 150,846.70	\$ 178,211.62	\$ 56,875.27	\$ 491.15	\$ 254,155.92	\$ 227,382.60	\$ 26,484.06

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	TID 65 Fund	TID 62 Fund	TID 61 Fund	TID 63 Fund	TID 29 Fund	TID 56 Fund	TID 69 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$53,031.64	\$ 459,394.09	\$144,829.60	\$ -	\$ 2,199.98	\$ 71,681.53	\$ 301,710.32
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	382.52	-	113.89	2,539.17
110 Property Tax Receivable	-	-	-	-	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	31.17	270.05	83.67	-	1.29	42.14	178.11
TOTAL ASSETS	\$53,062.81	\$ 459,664.14	\$144,913.27	\$ 382.52	\$ 2,201.27	\$ 71,837.56	\$ 304,427.60
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	144,261.86	-
209 Advance from Other Funds	-	-	-	-	-	1,094,475.61	-
2xx Wages Payable	-	-	-	-	-	-	-
224 Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	-	-	5,000.00	-	-	1,238,737.47	-
Fund Balances:							
263 Nonspendable	-	-	-	-	-	-	-
263.51 Perpetual Care Cemetery	-	-	-	-	-	-	-
264 Restricted for:							
264.01 Debt Service	53,062.81	459,664.14	139,913.27	382.52	2,201.27	-	304,427.60
264.03 Cemetery Perpetual Care	-	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-	-
265 Committed to:							
265.99 Erosion/Sediment Control	-	-	-	-	-	-	-
266 Assigned to:							
267 Unassigned	-	-	-	-	-	(1,166,899.91)	-
Total Fund Balances	53,062.81	459,664.14	139,913.27	382.52	2,201.27	(1,166,899.91)	304,427.60
TOTAL LIABILITIES AND FUND BALANCES	\$53,062.81	\$ 459,664.14	\$144,913.27	\$ 382.52	\$ 2,201.27	\$ 71,837.56	\$ 304,427.60

CITY OF RAPID CITY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

	TID 54 Fund	TID 44 Fund	TID 50 Fund	TID 52 Fund	TID 53 Fund	TID 47 Fund	TID 38 Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 439.41	\$ -	\$ -	\$ 44.75	\$ 0.04	\$ 0.13	\$ 244,368.54
102 Restricted Cash	-	-	-	-	-	-	-
151 Investments	-	-	-	-	-	-	-
110 Property Tax Receivable	24,788.86	43,468.36	6,721.70	-	-	2,028.87	29,368.93
115 Accounts Receivable, Net	-	-	-	-	-	-	-
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	-	-	-
135 Interest Receivable	0.26	-	-	0.02	-	-	143.80
TOTAL ASSETS	\$ 25,228.53	\$ 43,468.36	\$ 6,721.70	\$ 44.77	\$ 0.04	\$ 2,029.00	\$ 273,881.27
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
208 Due to Other Funds	-	-	-	-	-	-	-
209 Advance from Other Funds	-	-	-	-	-	-	100,000.00
2xx Wages Payable	-	-	-	-	-	-	24,700.25
224 Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	124,700.25
Fund Balances:							
263 Nonspendable	-	-	-	-	-	-	-
263.51 Perpetual Care Cemetery	-	-	-	-	-	-	-
264 Restricted for:	-	-	-	-	-	-	-
264.01 Debt Service	25,228.53	43,468.36	6,721.70	44.77	0.04	2,029.00	149,181.02
264.03 Cemetery Perpetual Care	-	-	-	-	-	-	-
264.05 Library	-	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	-	-
265 Committed to:	-	-	-	-	-	-	-
265.99 Erosion/Sediment Control	-	-	-	-	-	-	-
266 Assigned to:	-	-	-	-	-	-	-
267 Unassigned	-	-	-	-	-	-	-
Total Fund Balances	25,228.53	43,468.36	6,721.70	44.77	0.04	2,029.00	149,181.02
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,228.53	\$ 43,468.36	\$ 6,721.70	\$ 44.77	\$ 0.04	\$ 2,029.00	\$ 273,881.27

CITY OF RAPID CITY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012

	TID 39 Fund	TID 40 Fund	TID 41 Fund	TID 42 Fund	Community Development Fund	Rehabilitation Loan/Grant Fund	Cemetery Perpetual Care Fund
ASSETS:							
101 Cash and Cash Equivalents	\$ 0.28	\$ 0.05	\$ 15.24	\$ 0.44	\$ -	\$ -	\$ 11,979.48
102 Restricted Cash	-	-	-	-	71,333.44	45,654.38	-
151 Investments	-	-	-	-	-	-	48,345.39
110 Property Tax Receivable	-	-	5,267.60	49,792.29	-	-	-
115 Accounts Receivable, Net	-	-	-	-	-	-	32.86
121 Special Assessments Receivable--Current	-	-	-	-	-	-	-
123 Special Assessments Receivable--Deferred	-	-	-	-	-	-	-
132 Due from Other Government	-	-	-	-	98,537.96	-	60.96
135 Interest Receivable	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 0.28	\$ 0.05	\$ 5,282.84	\$ 49,792.73	\$ 169,871.40	\$ 45,654.38	\$ 60,418.69
LIABILITIES AND FUND BALANCES:							
Liabilities:							
201 Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ 163,986.30	\$ -	\$ -
208 Due to Other Funds	24,746.45	-	-	188,704.21	-	-	-
209 Advance from Other Funds	981,218.88	-	-	2,851,144.45	-	-	-
2xx Wages Payable	-	-	-	-	5,885.10	-	-
224 Deferred Revenue	-	-	-	22,443.10	-	-	-
Total Liabilities	1,005,965.33	-	-	3,062,291.76	169,871.40	-	-
Fund Balances:							
263 Nonspendable	-	-	-	-	-	-	50,000.00
263.51 Perpetual Care Cemetery	-	-	-	-	-	-	-
264 Restricted for:	-	-	-	-	-	-	-
264.01 Debt Service	-	0.05	5,282.84	-	-	-	-
264.03 Cemetery Perpetual Care	-	-	-	-	-	-	10,418.69
264.05 Library	-	-	-	-	-	-	-
264.09 Business Improvement District	-	-	-	-	-	-	-
264.97 Grant	-	-	-	-	-	45,654.38	-
265 Committed to:	-	-	-	-	-	-	-
265.99 Erosion/Sediment Control	-	-	-	-	-	-	-
266 Assigned to:	-	-	-	-	-	-	-
267 Unassigned	(1,005,965.05)	-	-	(3,012,499.03)	-	-	-
Total Fund Balances	(1,005,965.05)	0.05	5,282.84	(3,012,499.03)	-	45,654.38	60,418.69
TOTAL LIABILITIES AND FUND BALANCES	\$ 0.28	\$ 0.05	\$ 5,282.84	\$ 49,792.73	\$ 169,871.40	\$ 45,654.38	\$ 60,418.69

**CITY OF RAPID CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	Retired Senior Volunteer Fund	Library Board Fund	Total Nonmajor Governmental Funds
ASSETS:			
101 Cash and Cash Equivalents	\$ 25.00	\$ 800.00	\$ 2,095,009.83
102 Restricted Cash	37,149.92	59,347.90	213,485.64
151 Investments	-	-	48,345.39
110 Property Tax Receivable	-	-	171,668.71
115 Accounts Receivable, Net	-	57.75	73,104.61
121 Special Assessments Receivable--Current	-	-	159.00
123 Special Assessments Receivable--Deferred	-	-	8,815.00
132 Due from Other Government	9,526.73	-	108,125.65
135 Interest Receivable	-	-	1,524.00
TOTAL ASSETS	\$ 46,701.65	\$ 60,205.65	\$ 2,720,237.83
LIABILITIES AND FUND BALANCES:			
Liabilities:			
201 Claims Payable	\$ 285.95	\$ 8,510.20	\$ 485,392.27
208 Due to Other Funds	-	-	357,712.52
209 Advance from Other Funds	-	-	5,026,838.94
2xx Wages Payable	4,886.22	1,768.26	16,191.41
224 Deferred Revenue	-	-	55,880.35
Total Liabilities	5,172.17	10,278.46	5,942,015.49
Fund Balances:			
263 Nonspendable	-	-	50,000.00
263.51 Perpetual Care Cemetery	-	-	-
264 Restricted for:	-	-	-
264.01 Debt Service	-	-	1,700,121.65
264.03 Cemetery Perpetual Care	-	-	10,418.69
264.05 Library	-	49,927.19	49,927.19
264.09 Business Improvement District	-	-	12,391.85
264.97 Grant	41,529.48	-	87,183.86
265 Committed to:	-	-	-
265.99 Erosion/Sediment Control	-	-	53,543.09
266 Assigned to:	-	-	-
267 Unassigned	-	-	(5,185,363.99)
Total Fund Balances	41,529.48	49,927.19	(3,221,777.66)
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,701.65	\$ 60,205.65	\$ 2,720,237.83

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

	TID 33 Fund	Occupancy Tax Fund	Downtown BID Fund	Erosion/ Sediment Control Fund	TID 66 Fund	TID 67 Fund	TID 70 Fund	TID 68 Fund
Revenues:								
310 Taxes:								
311 General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 298.89	\$ 229,888.21	\$ 45,369.12	\$ 29,732.51
314 Occupancy Tax	-	1,378,151.20	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
348 Cemetery	-	-	-	38,050.00	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-
350 Fines and Forfeitures								
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	(5.27)	1,738.61	1,801.16	-	5.95	1,659.87	2,699.03	327.50
363 Special Assessments	-	-	182,230.12	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	(5.27)	1,379,889.81	184,031.28	38,050.00	304.84	231,548.08	48,068.15	30,060.01
Expenditures:								
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	51,678.15	-	-	-	118,416.70
470 Debt Service	-	-	-	-	-	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-
492 Other Expenditures	-	1,382,559.02	184,271.12	-	-	-	-	-
Total Expenditures	-	1,382,559.02	184,271.12	51,678.15	-	-	-	118,416.70
Excess of Revenue Over (Under) Expenditures	(5.27)	(2,669.21)	(239.84)	(13,628.15)	304.84	231,548.08	48,068.15	(88,356.69)
Other Financing Sources (Uses):								
511 Transfers Out	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	-	-	51,799.09
391.03 Sale of Municipal Property	-	-	-	-	-	-	-	51,799.09
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	103,598.18
Net Change in Fund Balances	(5.27)	(2,669.21)	(239.84)	(13,628.15)	304.84	231,548.08	48,068.15	(36,557.60)
Fund Balance - Beginning	5.27	13,727.44	1,573.46	67,171.24	186.31	22,607.84	179,314.45	63,041.66
FUND BALANCE- ENDING	\$ -	\$ 11,058.23	\$ 1,333.62	\$ 53,543.09	\$ 491.15	\$ 254,155.92	\$ 227,382.60	\$ 26,484.06

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

	TID 65 Fund	TID 62 Fund	TID 61 Fund	TID 63 Fund	TID 59 Fund	TID 29 Fund	TID 55 Fund	TID 56 Fund
Revenues:								
310 Taxes:								
311 General Property Taxes	\$ 72,703.18	\$ 80,420.53	\$ 349,223.39	\$ 251,191.89	\$ -	\$ -	\$ -	\$ 1,356,437.25
314 Occupancy Tax	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-
350 Fines and Forfeitures	-	-	-	-	-	-	-	-
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	515.51	5,838.86	331.43	0.04	-	29.95	27.19	986.57
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	<u>73,218.69</u>	<u>86,259.39</u>	<u>349,554.82</u>	<u>251,191.93</u>	<u>-</u>	<u>29.95</u>	<u>27.19</u>	<u>1,357,423.82</u>
Expenditures:								
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	-	-	-
470 Debt Service	353,047.38	-	224,736.03	257,742.52	0.40	-	8,787.45	1,228,661.31
485 Capital Outlay	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	<u>353,047.38</u>	<u>-</u>	<u>224,736.03</u>	<u>257,742.52</u>	<u>0.40</u>	<u>-</u>	<u>8,787.45</u>	<u>1,228,661.31</u>
Excess of Revenue Over (Under) Expenditures	(279,828.69)	86,259.39	124,818.79	(6,550.59)	(0.40)	29.95	(8,760.26)	128,762.51
Other Financing Sources (Uses):								
511 Transfers Out	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	309,789.23	-	-	-	-	-	-	-
391.03 Sale of Municipal Property	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>309,789.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	29,960.54	86,259.39	124,818.79	(6,550.59)	(0.40)	29.95	(8,760.26)	128,762.51
Fund Balance - Beginning	23,102.27	373,404.75	15,094.48	6,933.11	0.40	2,171.32	8,760.26	(1,295,662.42)
FUND BALANCE- ENDING	<u>\$ 53,062.81</u>	<u>\$ 459,664.14</u>	<u>\$ 139,913.27</u>	<u>\$ 382.52</u>	<u>\$ 0.00</u>	<u>\$ 2,201.27</u>	<u>\$ -</u>	<u>\$ (1,166,899.91)</u>

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

	TID 69 Fund	TID 54 Fund	TID 44 Fund	TID 50 Fund	TID 52 Fund	TID 51 Fund	TID 53 Fund	TID 47 Fund
Revenues:								
310 Taxes:								
311 General Property Taxes	\$ 168,575.16	\$ 314,100.57	\$ 948,330.07	\$ 249,636.35	\$ 28,017.62	\$ -	\$ 108,798.18	\$ 101,060.92
314 Occupancy Tax	-	-	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-	-	-
350 Fines and Forfeitures								
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	2,765.27	2,135.89	0.31	0.05	44.75	801.15	0.01	0.06
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	171,340.43	316,236.46	948,330.38	249,636.40	28,062.37	801.15	108,798.19	101,060.98
Expenditures:								
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	-	-	-
470 Debt Service	-	353,599.67	923,154.01	399,849.00	48,925.54	-	108,820.15	300,920.93
485 Capital Outlay	-	-	-	-	-	-	-	-
490 Miscellaneous								
492 Other Expenditures	-	-	-	-	-	248,916.94	-	-
Total Expenditures	-	353,599.67	923,154.01	399,849.00	48,925.54	248,916.94	108,820.15	300,920.93
Excess of Revenue Over (Under) Expenditures	171,340.43	(37,363.21)	25,176.37	(150,212.60)	(20,863.17)	(248,115.79)	(21.96)	(199,859.95)
Other Financing Sources (Uses):								
511 Transfers Out	-	(2,190,242.52)	-	-	-	-	-	-
391.02 Long-term debt issued	-	2,190,242.52	-	145,962.58	20,890.16	-	-	201,814.66
391.03 Sale of Municipal Property	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	145,962.58	20,890.16	-	-	201,814.66
Net Change in Fund Balances	171,340.43	(37,363.21)	25,176.37	(4,250.02)	26.99	(248,115.79)	(21.96)	1,954.71
Fund Balance - Beginning	133,087.17	62,591.74	18,291.99	10,971.72	17.78	248,115.79	22.00	74.29
FUND BALANCE- ENDING	\$ 304,427.60	\$ 25,228.53	\$ 43,468.36	\$ 6,721.70	\$ 44.77	\$ -	\$.04	\$ 2,029.00

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

	TID 38 Fund	TID 39 Fund	TID 40 Fund	TID 41 Fund	TID 42 Fund	Community Development Fund	ARRA Comm Development Fund	Rehab Loan/Grant Fund
Revenues:								
310 Taxes:								
311 General Property Taxes	\$ 497,667.76	\$ 92,636.60	\$ 81,320.64	\$ 840,300.07	\$ 510,643.68	\$ -	\$ -	\$ -
314 Occupancy Tax	-	-	-	-	-	698,805.18	3,697.26	-
331 Federal Grants	-	-	-	-	-	-	-	-
340 Charges for Goods and Services:								
348 Cemetery	-	-	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	48,451.15	-	60,572.53
350 Fines and Forfeitures	-	-	-	-	-	-	-	-
354 Library	-	-	-	-	-	-	-	-
360 Miscellaneous Revenue:								
361 Investment Earnings	2,867.20	-	0.02	(8,994.65)	0.20	-	-	-
363 Special Assessments	-	-	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-	-	-
Total Revenue	500,534.96	92,636.60	81,320.66	831,305.42	510,643.88	747,256.33	3,697.26	60,572.53
Expenditures:								
450 Culture and Recreation:								
455 Libraries	-	-	-	-	-	-	-	-
Retired Senior Volunteers Cemetery	-	-	-	-	-	-	-	-
460 Conservation and Development:								
463 Community Development	-	-	-	-	-	817,256.33	3,697.26	87,790.40
470 Debt Service	479,003.06	99,891.38	81,348.09	806,498.92	191,656.83	-	-	-
485 Capital Outlay	-	-	-	-	-	-	-	-
490 Miscellaneous	-	-	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	479,003.06	99,891.38	81,348.09	806,498.92	191,656.83	817,256.33	3,697.26	87,790.40
Excess of Revenue Over (Under) Expenditures	21,531.90	(7,254.78)	(27.43)	24,806.50	318,987.05	(70,000.00)	-	(27,217.87)
Other Financing Sources (Uses):								
511 Transfers Out	-	-	-	-	-	-	-	-
391.02 Long-term debt issued	-	-	-	-	-	70,000.00	-	-
391.03 Sale of Municipal Property	-	-	-	-	-	70,000.00	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	70,000.00	-	-
Net Change in Fund Balances	21,531.90	(7,254.78)	(27.43)	24,806.50	318,987.05	0.00	-	(27,217.87)
Fund Balance - Beginning	127,649.12	(998,710.27)	27.48	(19,523.66)	(3,331,486.08)	-	-	72,872.25
FUND BALANCE- ENDING	\$ 149,181.02	\$ (1,005,965.05)	\$ 0.05	\$ 5,282.84	\$ (3,012,499.03)	\$ 0.00	\$ -	\$ 45,654.38

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

	Cemetery Perpetual Care Fund	Retired Senior Volunteer Fund	TID 35 Fund	Library Board Fund	Total Nonmajor Governmental Funds
Revenues:					
310 Taxes:					
311 General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,356,352.59
314 Occupancy Tax					1,378,151.20
331 Federal Grants	-	42,469.72	-	-	744,972.16
340 Charges for Goods and Services:					
348 Cemetery	3,252.36	-	-	-	3,252.36
349 Other-Conservation & Development	-	-	-	-	147,073.68
350 Fines and Forfeitures					
354 Library	-	-	-	97,515.80	97,515.80
360 Miscellaneous Revenue:					
361 Investment Earnings	-	-	87.08	193.30	15,857.04
363 Special Assessments	-	-	-	-	182,230.12
367 Contributions and Donations	-	95,739.63	-	-	95,739.63
Total Revenue	<u>3,252.36</u>	<u>138,209.35</u>	<u>87.08</u>	<u>97,709.10</u>	<u>9,021,144.58</u>
Expenditures:					
450 Culture and Recreation:					
455 Libraries	-	-	-	107,024.34	107,024.34
Retired Senior Volunteers		100,543.28	-	-	100,543.28
Cemetery	576.00	-	-	-	576.00
460 Conservation and Development:					
463 Community Development	-	-	-	-	960,422.14
470 Debt Service	-	-	51,091.52	-	6,036,150.89
485 Capital Outlay	-	-	-	6,174.95	6,174.95
490 Miscellaneous					
492 Other Expenditures	-	-	-	-	1,815,747.08
Total Expenditures	<u>576.00</u>	<u>100,543.28</u>	<u>51,091.52</u>	<u>113,199.29</u>	<u>9,026,638.68</u>
Excess of Revenue Over (Under) Expenditures	2,676.36	37,666.07	(51,004.44)	(15,490.19)	(5,494.10)
Other Financing Sources (Uses):					
511 Transfers Out	-	-	-	-	(2,190,242.52)
391.02 Long-term debt issued	-	-	-	-	2,920,498.24
391.03 Sale of Municipal Property	-	-	-	-	70,000.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,255.72</u>
Net Change in Fund Balances	<u>2,676.36</u>	<u>37,666.07</u>	<u>(51,004.44)</u>	<u>(15,490.19)</u>	<u>794,761.62</u>
Fund Balance - Beginning	57,742.33	3,863.41	51,004.44	65,417.38	(4,016,539.28)
FUND BALANCE- ENDING	<u>\$ 60,418.69</u>	<u>\$ 41,529.48</u>	<u>\$ -</u>	<u>\$ 49,927.19</u>	<u>\$ (3,221,777.66)</u>

CITY OF RAPID CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUND
DECEMBER 31, 2012

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Solid Waste MRF/Compost Fund	Executive Golf Course Fund	Cemetery Enterprise Fund
ASSETS:					
Current Assets:					
101 Cash and Cash Equivalents	\$ 2,361,148.29	\$ 1,330,538.36	\$ 5,842,018.44	\$ 21,075.34	\$ 9,790.87
106 Cash with Fiscal Agent	-	-	872,118.82	-	-
107 Restricted Cash	-	1,429,393.08	-	-	-
151 Investments	-	4,030,440.36	2,811,294.16	-	25,424.56
115 Accounts Receivable	301,148.64	499,134.08	329,140.29	\$ 9,426.77	8,302.73
116 Estimated Uncollectable Accounts Receivable	(12,000.00)	(38,000.00)	(10,000.00)	-	-
131 Due from Other Funds	-	-	-	-	-
132 Due from Other Governments	-	-	-	-	1,299.52
135 Interest Receivable	1,403.67	3,946.13	5,711.00	14.56	61.23
155 Prepaid Expenses	-	-	21,934.22	-	-
Total Current Assets	<u>2,651,700.60</u>	<u>7,255,452.01</u>	<u>9,872,216.93</u>	<u>30,516.67</u>	<u>44,878.91</u>
Noncurrent Assets:					
Capital Assets:					
160 Land	138,430.38	1,956,982.84	542,868.12	596,356.14	24,151.00
162 Buildings	-	393,011.33	12,968,827.18	180,240.34	22,954.01
164 Improvements Other than Bldg	712,088.86	2,465,414.35	4,268,971.62	1,489,602.42	657,413.70
164 Furniture & Equipment	-	1,099,528.35	216,543.86	77,409.00	115,966.12
166 Machinery and Equipment	3,427,225.23	2,283,000.50	1,398,375.79	6,449.00	133,912.82
168 Construction Work in Progress	-	212,088.18	16,089.50	-	-
Less: Accumulated Depreciation	(2,087,659.07)	(3,098,655.93)	(7,236,716.07)	(815,373.27)	(556,325.90)
Total Noncurrent Assets	<u>2,190,085.40</u>	<u>5,311,369.62</u>	<u>12,174,960.00</u>	<u>1,534,683.63</u>	<u>398,071.75</u>
TOTAL ASSETS	<u>\$ 4,841,786.00</u>	<u>\$ 12,566,821.63</u>	<u>\$ 22,047,176.93</u>	<u>\$ 1,565,200.30</u>	<u>\$ 442,950.66</u>
LIABILITIES:					
Current Liabilities:					
202 Accounts Payable	\$ 45,253.06	127,867.43	\$ 112,986.51	\$ 1,208.73	\$ 1,842.85
208 Due to Other Funds	-	-	-	-	-
215 Accrued Interest Payable	2,177.40	-	3,862.90	-	-
2xx Wages Payable	39,719.43	21,556.10	53,340.49	3,615.81	6,744.85
226 OPEB Current Obligations	18,601.59	11,213.94	27,285.09	1,560.19	3,627.84
226 Bonds Payable Current:	-	-	573,300.00	-	-
226 Capital Lease Payable Current	296,341.67	-	-	-	-
230 Compensated Absences Payable -- Current	3,500.00	-	5,000.00	-	-
Total Current Liabilities	<u>405,593.15</u>	<u>160,637.47</u>	<u>775,774.99</u>	<u>6,384.73</u>	<u>12,215.54</u>
Noncurrent Liabilities:					
209 Advance from Other Funds	-	-	-	-	-
231 OPEB Long-Term Obligations	24,674.42	14,874.94	36,192.81	2,069.54	4,812.22
231 Bonds Payable:	-	-	889,279.54	-	-
231 Capital Lease Payable	957,010.83	-	-	-	-
233 Accrued Leave Payable	46,409.75	15,532.05	28,848.70	52.78	10,143.53
235 Accrued Landfill Closure and Postclosure	-	1,429,393.08	-	-	-
Total Noncurrent Liabilities	<u>1,028,095.00</u>	<u>1,459,800.07</u>	<u>954,321.05</u>	<u>2,122.32</u>	<u>14,955.75</u>
NET POSITION:					
253.10 Invested in Capital Assets, Net of Related Debt	936,732.90	5,311,369.62	10,712,380.46	1,534,683.63	398,071.75
253.20 Restricted Net Position, Restricted for:	-	-	150,540.00	-	-
253.22 Revenue Bond Retirement	2,471,364.95	5,635,014.47	9,454,160.43	22,009.62	17,707.62
253.90 Unrestricted Net Position	3,408,097.85	10,946,384.09	20,317,080.89	1,556,693.25	415,779.37
Total Net Position	<u>4,841,786.00</u>	<u>12,566,821.63</u>	<u>22,047,176.93</u>	<u>1,565,200.30</u>	<u>442,950.66</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,841,786.00</u>	<u>\$ 12,566,821.63</u>	<u>\$ 22,047,176.93</u>	<u>\$ 1,565,200.30</u>	<u>\$ 442,950.66</u>

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 36,950.50	\$ 136,705.69	\$ -	\$ 1,160,590.04	\$ 134,333.70	\$ 11,033,151.23
-	296,951.17	-	-	-	1,169,069.99
-	-	-	-	-	1,429,393.08
-	363,585.77	-	-	-	7,230,744.85
-	256,015.13	29,852.59	4,881,391.62	-	6,314,411.85
-	(78,644.45)	-	(3,046,493.16)	-	(3,185,137.61)
-	-	-	-	-	-
-	-	53,274.02	-	-	54,573.54
19.24	385.93	-	625.78	84.05	12,251.59
-	37,248.76	-	-	-	59,182.98
36,969.74	1,012,248.00	83,126.61	2,996,114.28	134,417.75	24,117,641.50

1,424,241.50	2,212,498.99	-	-	267,567.00	7,163,095.97
1,505,898.57	4,908,331.31	776,570.53	30,659.04	916,934.11	21,703,426.42
2,472,084.21	487,832.95	-	-	1,679,939.23	14,233,347.34
507,347.74	-	96,499.06	218,527.80	-	2,331,821.93
188,189.00	16,025.00	20,557.00	1,201,550.35	-	8,675,284.69
29,842.42	-	1,899,443.65	-	-	2,157,463.75
(1,824,846.43)	(1,154,518.80)	(541,696.85)	(929,079.83)	(691,867.07)	(18,936,739.22)
4,302,757.01	6,470,169.45	2,251,373.39	521,657.36	2,172,573.27	37,327,700.88
\$ 4,339,726.75	\$ 7,482,417.45	\$ 2,334,500.00	\$ 3,517,771.64	\$ 2,306,991.02	\$ 61,445,342.38

\$ 10,483.96	\$ 6,000.05	\$ 13,100.23	\$ 53,874.15	\$ 3,265.86	\$ 375,882.83
38,181.71	-	199,251.85	54,162.52	-	291,596.08
-	645.87	-	5,032.59	-	11,718.76
10,694.98	-	20,828.33	10,971.15	-	167,471.14
6,229.22	-	9,131.53	49,496.94	-	127,146.34
-	85,000.00	-	-	-	658,300.00
15,544.00	-	-	144,080.42	-	455,966.09
-	-	3,500.00	-	-	12,000.00
81,133.87	91,645.92	245,811.94	317,617.77	3,265.86	2,100,081.24

21,256.22	-	-	-	-	21,256.22
8,262.86	-	12,112.69	65,656.13	-	168,655.61
-	2,100,517.87	-	-	-	2,989,797.41
66,899.62	-	-	-	-	1,023,910.45
15,975.44	-	71,226.99	102,381.83	-	290,571.07
-	-	-	-	-	1,429,393.08
112,394.14	2,100,517.87	83,339.68	168,037.96	-	5,923,583.84

4,220,313.39	4,284,651.58	2,251,373.39	377,576.94	2,172,573.27	32,199,726.93
-	204,098.00	-	-	-	354,638.00
(74,114.65)	801,504.08	(246,025.01)	2,654,538.97	131,151.89	20,867,312.37
4,146,198.74	5,290,253.66	2,005,348.38	3,032,115.91	2,303,725.16	53,421,677.30
\$ 4,339,726.75	\$ 7,482,417.45	\$ 2,334,500.00	\$ 3,517,771.64	\$ 2,306,991.02	\$ 61,445,342.38

CITY OF RAPID CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NE
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2012

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Solid Waste MRF/Compost Fund	Executive Golf Course Fund
Operating Revenue:				
380 Charges for Goods and Services	\$ 2,403,399.23	\$ 3,343,750.49	\$ 3,521,156.78	\$ 190,030.16
381 Revenues used as Security for Revenue Bonds	-	-	-	-
Total Operating Revenue	2,403,399.23	3,343,750.49	3,521,156.78	190,030.16
Operating Expenses:				
410 Personal Services	832,675.34	457,563.04	1,082,945.06	83,370.21
420 Other Current Expense	748,245.67	2,195,431.40	1,116,853.59	98,729.97
426.2 Materials (Cost of Goods Sold)	-	-	-	7,546.76
457 Depreciation	380,792.14	468,356.45	531,733.06	18,604.80
Total Operating Expenses	1,961,713.15	3,121,350.89	2,731,531.71	208,251.74
Operating Income (Loss)	441,686.08	222,399.60	789,625.07	(18,221.58)
Nonoperating Revenue (Expense):				
361 Investment Earnings	30,906.30	88,031.83	109,326.59	346.51
470 Interest Expense and Fiscal Charges	(59,583.52)	2,673.71	(44,630.16)	-
(492)366 Gain (Loss) on Disposition of Capital Assets	791.01	-	(706.94)	-
369.01 Other	-	65,182.71	630,264.50	-
Total Nonoperating Revenue (Expense)	(27,886.21)	155,888.25	694,253.99	346.51
Income (Loss) Before Transfers	413,799.87	378,287.85	1,483,879.06	(17,875.07)
330 Capital Grants	-	-	-	-
369.1 Contributions (to) from Others	-	-	-	336,922.49
391.1 Transfers In	-	-	-	114,000.00
511 Transfers Out	(70.00)	(6,885.45)	(35,755.00)	-
Net Contributions and Transfers	(70.00)	(6,885.45)	(35,755.00)	450,922.49
Change in Net Position	413,729.87	371,402.40	1,448,124.06	433,047.42
Net Position - Beginning	2,994,367.98	10,574,981.69	18,868,956.83	1,123,645.83
NET POSITION - ENDING	\$ 3,408,097.85	\$ 10,946,384.09	\$ 20,317,080.89	\$ 1,556,693.25

POSITION

<i>Enterprise Funds</i>						
Cemetery Enterprise Fund	Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 150,396.21	\$ 1,337,328.63	\$ -	\$ 320,718.34	\$ 3,100,211.91	\$ 13,904.59	\$ 14,380,896.34
-	-	743,220.83	-	-	-	743,220.83
150,396.21	1,337,328.63	743,220.83	320,718.34	3,100,211.91	13,904.59	15,124,117.17
175,002.24	464,660.13	-	400,847.27	2,144,956.77	-	5,642,020.06
80,157.83	667,028.99	437,918.80	(88,471.56)	618,465.18	65,939.01	5,940,298.88
-	133,433.43	-	-	-	-	140,980.19
29,348.04	139,106.66	88,349.97	19,953.42	220,808.91	167,038.91	2,064,092.36
284,508.11	1,404,229.21	526,268.77	332,329.13	2,984,230.86	232,977.92	13,787,391.49
(134,111.90)	(66,900.58)	216,952.06	(11,610.79)	115,981.05	(219,073.33)	1,336,725.68
1,649.98	1,592.26	6,712.05	-	19,922.43	2,015.85	260,503.80
-	(12,660.99)	(101,683.65)	-	(13,565.17)	-	(229,449.78)
-	325.71	-	-	(12,145.95)	-	(11,736.17)
266.15	-	-	-	-	-	695,713.36
1,916.13	(10,743.02)	(94,971.60)	-	(5,788.69)	2,015.85	715,031.21
(132,195.77)	(77,643.60)	121,980.46	(11,610.79)	110,192.36	(217,057.48)	2,051,756.89
-	-	-	-	-	-	-
-	-	-	-	100,000.00	-	436,922.49
51,513.70	149,368.14	-	1,764,593.65	10.80	50,000.00	2,129,486.29
(579.00)	(14,176.00)	(13,658.00)	(2,293.00)	-	(3,392.00)	(76,808.45)
50,934.70	135,192.14	(13,658.00)	1,762,300.65	100,010.80	46,608.00	2,489,600.33
(81,261.07)	57,548.54	108,322.46	1,750,689.86	210,203.16	(170,449.48)	4,541,357.22
497,040.44	4,088,650.20	5,181,931.20	254,658.52	2,821,912.75	2,474,174.64	48,880,320.08
\$ 415,779.37	\$ 4,146,198.74	\$ 5,290,253.66	\$ 2,005,348.38	\$ 3,032,115.91	\$ 2,303,725.16	\$ 53,421,677.30

CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2012

	Solid Waste Collection Fund	Solid Waste Disposal Fund	Solid Waste MRF/Compost Fund	Executive Golf Course Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customers	\$ 2,391,775.83	\$ 3,172,932.16	\$ 3,686,687.34	\$ 180,603.39
Payments to Suppliers	(888,148.47)	(2,120,603.01)	(1,188,219.45)	(106,303.45)
Payments to Employees	(817,247.98)	(457,065.63)	(1,065,331.06)	(87,818.05)
Net Cash Provided (Used) by Operating Activities	<u>686,379.38</u>	<u>595,263.52</u>	<u>1,433,136.83</u>	<u>(13,518.11)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Receipt from Interfund Services Provided	-	-	-	-
Internal Activity - Payment to Other Funds	-	-	-	(55,750.33)
Transfers In	-	-	-	114,000.00
Transfers Out	(70.00)	(6,885.45)	(35,755.00)	-
Net Cash Provided (Used) by Operating Subsidies and Transfers	<u>(70.00)</u>	<u>(6,885.45)</u>	<u>(35,755.00)</u>	<u>58,249.67</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(12,062.50)	(213,650.68)	(188,909.50)	(24,000.00)
Principal Paid on Capital Debt	(285,685.59)	-	(539,526.51)	-
Interest Paid on Capital Debt	(57,406.12)	-	(44,637.86)	-
Proceeds from Sale of Assets	791.01	-	93.06	-
Other Receipts (Payments)	-	65,182.71	630,264.50	-
Net Cash (Used) by capital and related financing Activities	<u>(354,363.20)</u>	<u>(148,467.97)</u>	<u>(142,716.31)</u>	<u>(24,000.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	30,815.56	82,974.86	105,487.09	343.78
Net Cash Provided by Investing Activities	<u>30,815.56</u>	<u>82,974.86</u>	<u>105,487.09</u>	<u>343.78</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>362,761.74</u>	<u>522,884.96</u>	<u>1,360,152.61</u>	<u>21,075.34</u>
Balances - Beginning	1,998,386.55	2,237,046.48	5,353,984.65	-
Balances- Ending	<u>\$ 2,361,148.29</u>	<u>\$ 2,759,931.44</u>	<u>\$ 6,714,137.26</u>	<u>\$ 21,075.34</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 441,686.08	\$ 222,399.60	\$ 789,625.07	\$ (18,221.58)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	380,792.14	468,356.45	531,733.06	18,604.80
Landfill Closure and Postclosure Costs	-	48,336.97	-	-
Change in Assets and Liabilities:				
Receivables	(11,623.40)	(170,818.33)	165,530.56	(9,426.77)
Prepaid Expenses	-	-	4,386.85	-
Accounts and Other Payables	(139,902.80)	26,491.42	(75,752.71)	(26.72)
Accrued Wages Payable	4,846.92	(576.98)	4,709.70	207.46
Accrued Leave Payable	4,025.52	(2,085.72)	2,400.49	(3,581.20)
Accrued Other Post Employment Benefits	6,554.92	3,160.11	10,503.81	(1,074.10)
Net Cash Provided (Used) by Operating Activities	<u>\$ 686,379.38</u>	<u>\$ 595,263.52</u>	<u>\$ 1,433,136.83</u>	<u>\$ (13,518.11)</u>
Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ -	\$ -	\$ (800.00)	\$ -

Enterprise Funds

Cemetery Enterprise Fund	Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 157,431.55	\$ 1,337,479.22	\$ 719,445.08	\$ 287,914.48	\$ 3,224,480.89	\$ 14,135.57	\$ 15,172,885.51
(81,758.83)	(804,167.26)	(463,985.69)	91,035.25	(607,221.90)	(69,602.13)	(6,238,974.94)
(173,540.13)	(474,811.85)	-	(387,199.48)	(2,109,181.78)	-	(5,572,195.96)
(97,867.41)	58,500.11	255,459.39	(8,249.75)	508,077.21	(55,466.56)	3,361,714.61
-	55,750.33	-	10,542.75	-	-	66,293.08
-	(45,363.92)	-	-	(53,634.68)	-	(154,748.93)
50,000.00	-	-	1,764,593.65	10.80	50,000.00	1,978,604.45
(579.00)	(14,176.00)	(13,658.00)	(2,293.00)	-	(3,392.00)	(76,808.45)
49,421.00	(3,789.59)	(13,658.00)	1,772,843.40	(53,623.88)	46,608.00	1,813,340.15
-	-	-	(1,764,593.65)	(72,800.00)	-	(2,276,016.33)
-	(13,610.78)	(84,407.36)	-	(137,652.06)	-	(1,060,882.30)
-	(12,660.99)	(101,708.66)	-	(18,373.23)	-	(234,786.86)
-	325.71	-	-	-	-	1,209.78
266.15	-	-	-	100,000.00	-	795,713.36
266.15	(25,946.06)	(186,116.02)	(1,764,593.65)	(128,825.29)	-	(2,774,762.35)
1,704.68	1,612.12	6,148.20	-	19,886.04	2,030.99	251,003.32
1,704.68	1,612.12	6,148.20	-	19,886.04	2,030.99	251,003.32
(46,475.58)	30,376.58	61,833.57	-	345,514.08	(6,827.57)	2,651,295.73
56,266.45	6,573.92	371,823.29	-	815,075.96	141,161.27	10,980,318.57
\$ 9,790.87	\$ 36,950.50	\$ 433,656.86	\$ -	\$ 1,160,590.04	\$ 134,333.70	\$ 13,631,614.30
\$ (134,111.90)	\$ (66,900.58)	\$ 216,952.06	\$ (11,610.79)	\$ 115,981.05	\$ (219,073.33)	\$ 1,336,725.68
29,348.04	139,106.66	88,349.97	19,953.42	220,808.91	167,038.91	2,064,092.36
-	-	-	-	-	-	48,336.97
7,035.34	150.59	(23,775.75)	(32,803.86)	124,268.98	230.98	48,768.34
-	-	2,069.38	-	-	-	6,456.23
(1,601.00)	(3,704.84)	(28,136.27)	2,563.69	11,243.28	(3,663.12)	(212,489.07)
(244.34)	(4,349.41)	-	2,933.61	2,116.42	-	9,643.38
540.55	(6,598.07)	-	8,170.84	13,143.37	-	16,015.78
1,165.90	795.76	-	2,543.34	20,515.20	-	44,164.94
\$ (97,867.41)	\$ 58,500.11	\$ 255,459.39	\$ (8,249.75)	\$ 508,077.21	\$ (55,466.56)	\$ 3,361,714.61
\$ -	\$ (6,607.58)	\$ -	\$ -	\$ (12,145.95)	\$ -	\$ (19,553.53)

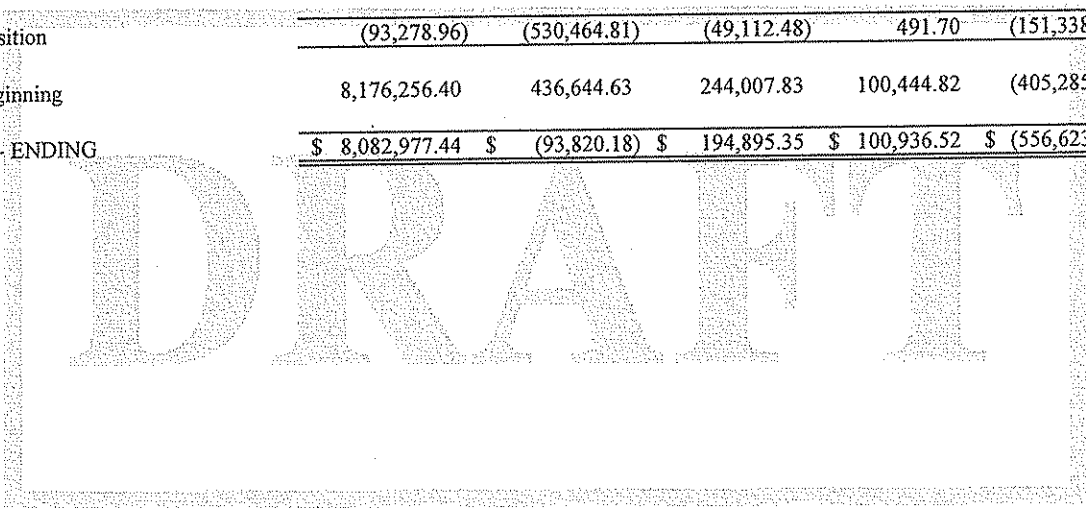
**CITY OF RAPID CITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2012**

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
ASSETS:						
Current Assets:						
101 Cash and Cash Equivalents	\$ 7,709,358.35	\$ 409,524.08	\$ 30,157.06	\$ 93,725.92	\$ 98,705.10	\$ 8,341,470.51
115 Accounts Receivable	531,366.00	-	-	13,690.64	-	545,056.64
132 Due from Other Government	-	267.86	-	-	-	267.86
151 Investments	250,000.00	-	164,738.29	-	983,997.31	1,398,735.60
135 Interest Receivable	4,692.29	212.47	-	54.76	875.59	5,835.11
TOTAL ASSETS	\$ 8,495,416.64	\$ 410,004.41	\$ 194,895.35	\$ 107,471.32	\$ 1,083,578.00	\$ 10,291,365.72
LIABILITIES:						
Current Liabilities:						
202 Accounts Payable	\$ 412,439.20	\$ 499,040.45	\$ -	\$ 6,534.80	\$ 1,640,201.82	\$ 2,558,216.27
2xx Wages Payable	-	4,784.14	-	-	-	4,784.14
Total Current Liabilities	412,439.20	503,824.59	-	6,534.80	1,640,201.82	2,563,000.41
NET POSITION:						
253.90 Unrestricted Net Position	8,082,977.44	(93,820.18)	194,895.35	100,936.52	(556,623.82)	7,728,365.31
TOTAL LIABILITIES AND NET POSITION	\$ 8,495,416.64	\$ 410,004.41	\$ 194,895.35	\$ 107,471.32	\$ 1,083,578.00	\$ 10,291,365.72

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CITY OF RAPID CITY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
Operating Revenue:						
380 Charges for Goods and Services	\$ 6,917,520.55	\$ 17,881.77	\$ -	\$ 171,102.64	\$ 749,396.90	\$ 7,855,901.86
Operating Expenses:						
410 Personal Services	120,291.81	89,963.31	-	-	-	210,255.12
420 Other Current Expense	6,648,188.05	465,663.10	49,112.48	172,470.56	920,321.29	8,255,755.48
Total Operating Expenses	6,768,479.86	555,626.41	49,112.48	172,470.56	920,321.29	8,466,010.60
Operating Income (Loss)	149,040.69	(537,744.64)	(49,112.48)	(1,367.92)	(170,924.39)	(610,108.74)
Nonoperating Revenue (Expense):						
361 Investment Earnings (Loss)	107,680.35	7,279.83	-	1,859.62	19,586.33	136,406.13
511 Transfers Out	(350,000.00)	-	-	-	-	(350,000.00)
	(242,319.65)	7,279.83	-	1,859.62	19,586.33	(213,593.87)
Change in Net Position	(93,278.96)	(530,464.81)	(49,112.48)	491.70	(151,338.06)	(823,702.61)
Net Position - Beginning	8,176,256.40	436,644.63	244,007.83	100,444.82	(405,285.76)	8,552,067.92
NET POSITION - ENDING	\$ 8,082,977.44	\$ (93,820.18)	\$ 194,895.35	\$ 100,936.52	\$ (556,623.82)	\$ 7,728,365.31



CITY OF RAPID CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2012

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Dental Insurance Fund	Workers Compensation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Interfund Services Provided	\$ 6,918,747.46	\$ 17,613.91	\$ -	\$ 171,159.14	\$ 749,396.90	\$ 7,856,917.41
Payments to Employees	(120,291.81)	(89,390.71)	-	-	-	(209,682.52)
Payments for Claims & Services	(6,760,544.63)	(305,141.34)	(49,112.48)	(172,778.36)	(1,082,252.04)	(8,369,828.85)
Net Cash Provided (Used) by Operating Activities	37,911.02	(376,918.14)	(49,112.48)	(1,619.22)	(332,855.14)	(722,593.96)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer Out	(350,000.00)	-	-	-	-	(350,000.00)
Net Cash Used by Noncapital Financing Activities	(350,000.00)	-	-	-	-	(350,000.00)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investment Securities	(250,000.00)	-	-	-	250,000.00	-
Interest Earnings	108,433.05	7,534.97	(396.07)	1,867.40	18,201.27	135,640.62
Net Cash Provided (Used) by Investing Activities	(141,566.95)	7,534.97	(396.07)	1,867.40	268,201.27	135,640.62
Net Increase (Decrease) in Cash and Cash Equivalents	(453,655.93)	(369,383.17)	(49,508.55)	248.18	(64,653.87)	(936,953.34)
Balances - Beginning	8,163,014.28	778,907.25	79,665.61	93,477.74	163,358.97	9,278,423.85
Balances- Ending	\$ 7,709,358.35	\$ 409,524.08	\$ 30,157.06	\$ 93,725.92	\$ 98,705.10	\$ 8,341,470.51
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 149,040.69	\$ (537,744.64)	\$ (49,112.48)	\$ (1,367.92)	\$ (170,924.39)	\$ (610,108.74)
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:						
Accounts Receivable	1,226.91	(267.86)	-	56.50	-	1,015.55
Accounts Payables	(112,356.58)	160,521.76	-	(307.80)	(161,930.75)	(114,073.37)
Wages Payable	-	572.60	-	-	-	572.60
Net Cash Provided (Used) by Operating Activities	\$ 37,911.02	\$ (376,918.14)	\$ (49,112.48)	\$ (1,619.22)	\$ (332,855.14)	\$ (722,593.96)

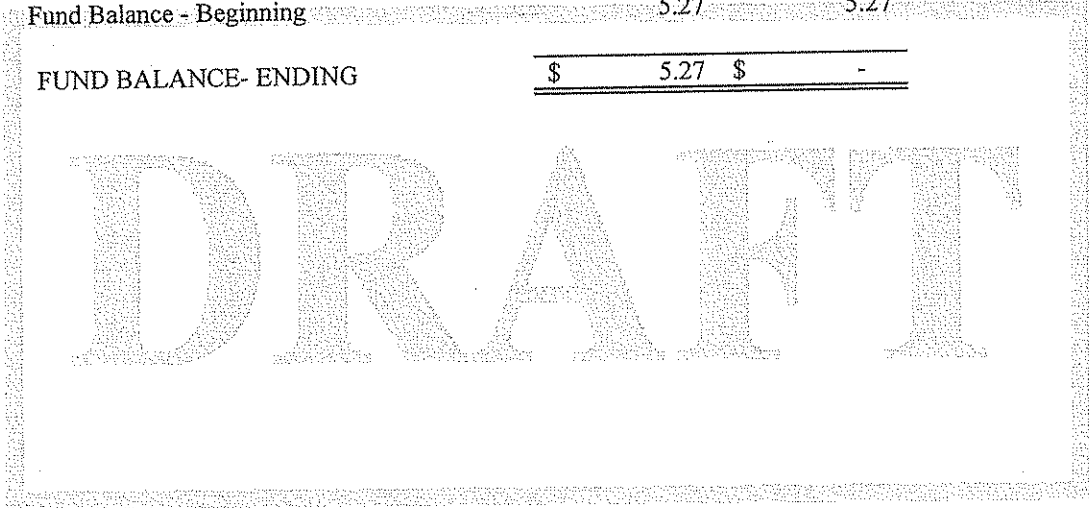
**CITY OF RAPID CITY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	Deposits Held For Others Fund	Payroll Withholding Fund	Section 125 Fund	Total
ASSETS:				
Cash and Cash Equivalents	\$ 358,365.56	\$ 288,823.95	\$ 56,918.17	\$ 704,107.68
Investments	327,758.73			327,758.73
TOTAL ASSETS	\$ 686,124.29	\$ 288,823.95	\$ 56,918.17	\$ 1,031,866.41
LIABILITIES:				
Accounts Payable	\$ -	\$ 96,783.43	\$ -	\$ 96,783.43
Due to Other Organizations	686,124.29	192,040.52	56,918.17	935,082.98
Total Liabilities	\$ 686,124.29	\$ 288,823.95	\$ 56,918.17	\$ 1,031,866.41

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CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 33 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
360 Miscellaneous Revenue:		
361 Investment Earnings	\$ -	\$ (5.27)
Total Revenue	-	(5.27)
Excess of Revenue Over (Under)		
Expenditures	-	(5.27)
Net Change in Fund Balances	-	(5.27)
Fund Balance - Beginning	5.27	5.27
FUND BALANCE- ENDING	\$ 5.27	\$ -

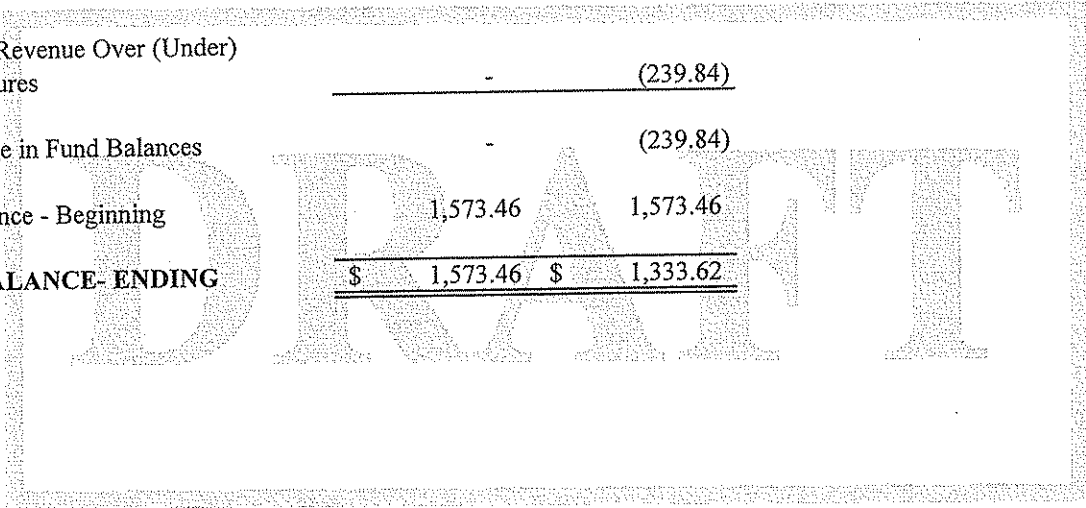


**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 OCCUPANCY TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
314 Occupancy Tax	\$ 1,673,683.86	\$ 1,378,151.20
360 Miscellaneous Revenue:		
361 Interest Earnings	-	1,738.61
Total Revenue	<u>1,673,683.86</u>	<u>1,379,889.81</u>
Expenditures:		
490 Other Expenditures		
492 Other Expenditures	<u>\$ 1,673,683.86</u>	<u>\$ 1,382,559.02</u>
Total Expenditures	<u>1,673,683.86</u>	<u>1,382,559.02</u>
Excess of Revenue Over (Under)		
Expenditures	-	(2,669.21)
Net Change in Fund Balances	-	(2,669.21)
Fund Balance - Beginning	13,727.44	13,727.44
FUND BALANCE- ENDING	<u>\$ 13,727.44</u>	<u>\$ 11,058.23</u>

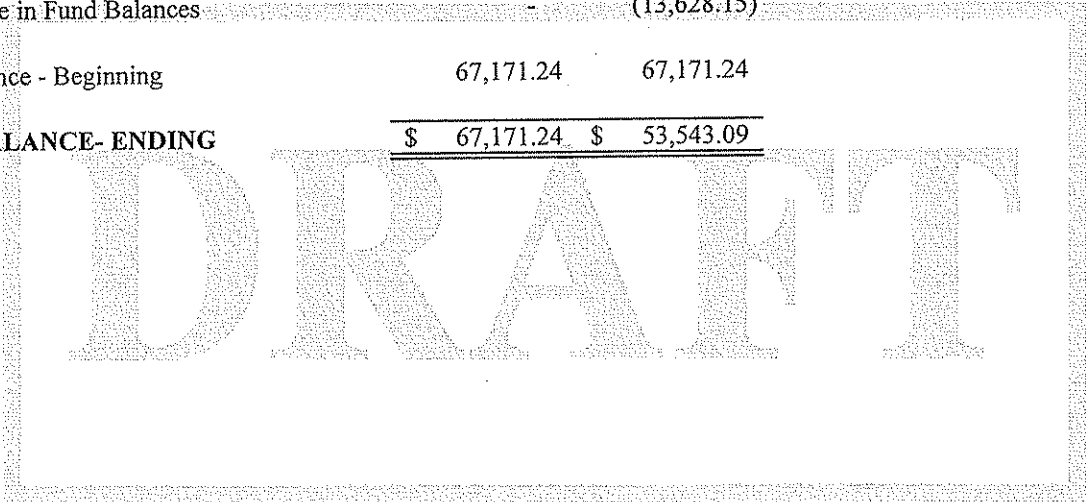
**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN BID
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
360 Miscellaneous Revenue:		
361 Interest Earnings	-	1,801.16
363 Special Assessments	180,000.00	182,230.12
Total Revenue	<u>180,000.00</u>	<u>184,031.28</u>
Expenditures:		
490 Other Expenditures		
492 Other Expenditures	\$ 180,000.00	\$ 184,271.12
Total Expenditures	<u>180,000.00</u>	<u>184,271.12</u>
Excess of Revenue Over (Under) Expenditures	-	<u>(239.84)</u>
Net Change in Fund Balances	-	(239.84)
Fund Balance - Beginning	1,573.46	1,573.46
FUND BALANCE- ENDING	<u>\$ 1,573.46</u>	<u>\$ 1,333.62</u>



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 EROSION/SEDIMENT CONTROL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Other-Conservation & Development	55,362.76	38,050.00
Total Revenue	55,362.76	38,050.00
Expenditures:		
460 Conservation and Development:		
463 Community Development	55,362.76	51,678.15
Total Expenditures	55,362.76	51,678.15
Net Change in Fund Balances	-	(13,628.15)
Fund Balance - Beginning	67,171.24	67,171.24
FUND BALANCE- ENDING	\$ 67,171.24	\$ 53,543.09



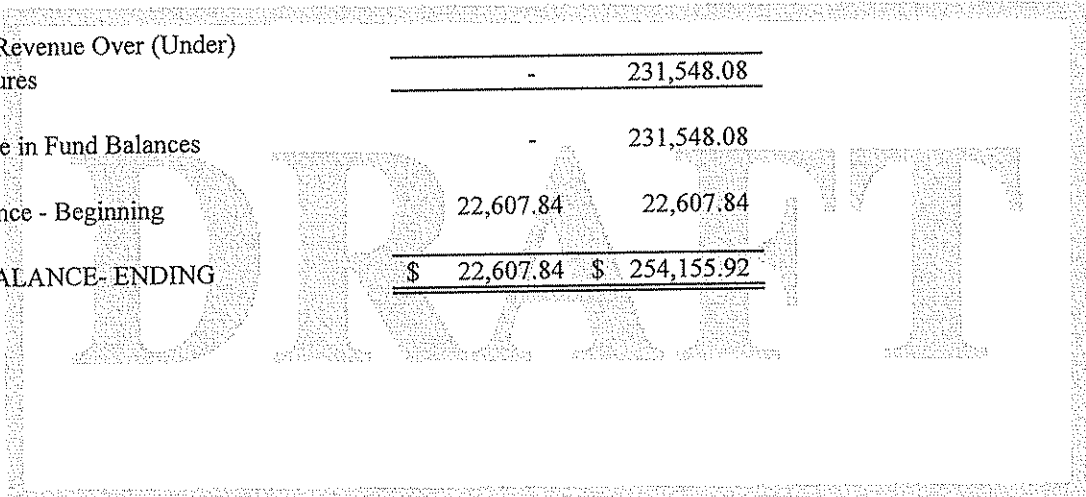
CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 66 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ -	\$ 298.89
360 Miscellaneous Revenue:		
361 Investment Earnings	-	5.95
Total Revenue	<u>-</u>	<u>304.84</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>304.84</u>
Net Change in Fund Balances	-	304.84
Fund Balance - Beginning	186.31	186.31
FUND BALANCE- ENDING	<u>\$ 186.31</u>	<u>\$ 491.15</u>

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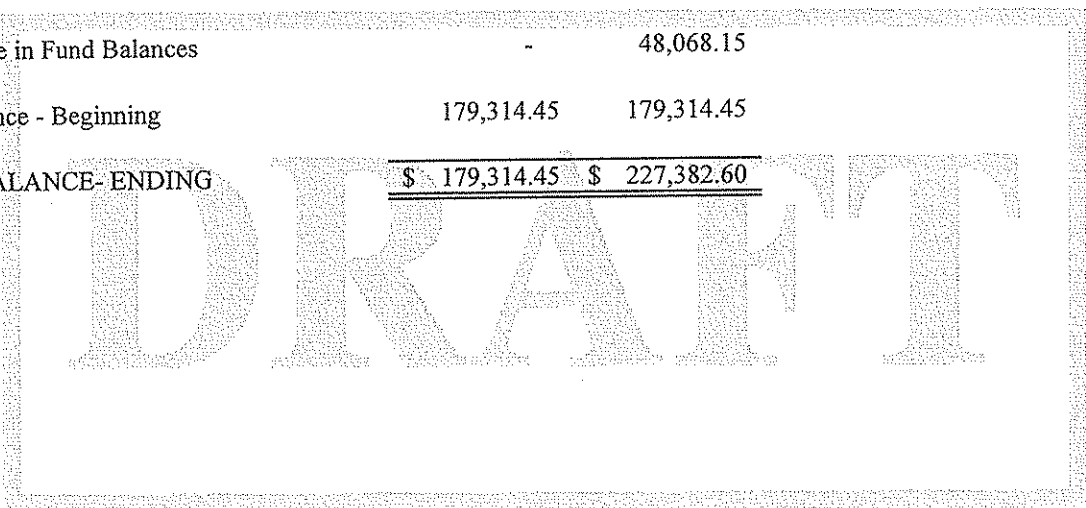
**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 67 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 229,136.04	\$ 229,888.21
360 Miscellaneous Revenue:		
361 Investment Earnings	-	1,659.87
Total Revenue	<u>229,136.04</u>	<u>231,548.08</u>
Expenditures:		
470 Debt Service	<u>229,136.04</u>	-
Total Expenditures	<u>229,136.04</u>	-
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>231,548.08</u>
Net Change in Fund Balances	-	231,548.08
Fund Balance - Beginning	22,607.84	22,607.84
FUND BALANCE- ENDING	<u>\$ 22,607.84</u>	<u>\$ 254,155.92</u>



CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 70 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 49,385.77	\$ 45,369.12
360 Miscellaneous Revenue:		
361 Investment Earnings	-	2,699.03
Total Revenue	<u>49,385.77</u>	<u>48,068.15</u>
Expenditures:		
470 Debt Service	<u>49,385.77</u>	-
Total Expenditures	<u>49,385.77</u>	-
Net Change in Fund Balances	-	48,068.15
Fund Balance - Beginning	179,314.45	179,314.45
FUND BALANCE- ENDING	<u>\$ 179,314.45</u>	<u>\$ 227,382.60</u>



**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 68 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

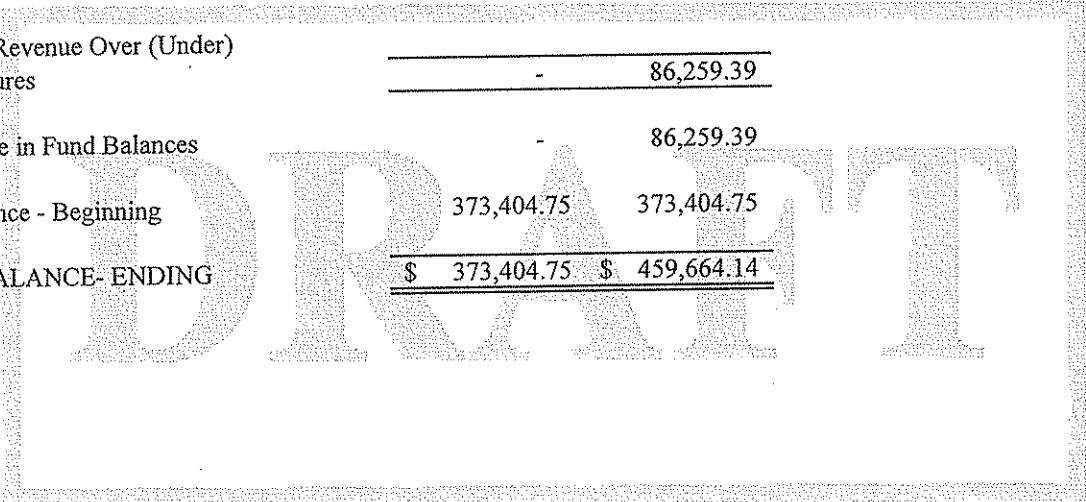
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 76,710.37	\$ 29,732.51
360 Miscellaneous Revenue:		
361 Investment Earnings	-	327.50
Total Revenue	<u>76,710.37</u>	<u>30,060.01</u>
Expenditures:		
470 Debt Service	1,158,556.98	118,416.70
485 Capital Outlay	724,099.57	-
Total Expenditures	<u>1,882,656.55</u>	<u>118,416.70</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,805,946.18)</u>	<u>(88,356.69)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	1,805,946.18	51,799.09
Total Other Financing Sources (Uses)	<u>1,805,946.18</u>	<u>51,799.09</u>
Net Change in Fund Balances	-	(36,557.60)
Fund Balance - Beginning	63,041.66	63,041.66
FUND BALANCE- ENDING	<u><u>\$ 63,041.66</u></u>	<u><u>\$ 26,484.06</u></u>

**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 65 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 75,249.16	\$ 72,703.18
360 Miscellaneous Revenue:		
361 Investment Earnings	-	515.51
Total Revenue	75,249.16	73,218.69
Expenditures:		
470 Debt Service	75,249.16	353,047.38
485 Capital Outlay	15,218,381.62	-
Total Expenditures	15,293,630.78	353,047.38
Excess of Revenue Over (Under) Expenditures	(15,218,381.62)	(279,828.69)
Other Financing Sources (Uses):		
391.02 Long-term debt issued	15,218,381.62	309,789.23
Total Other Financing Sources (Uses)	15,218,381.62	309,789.23
Net Change in Fund Balances	-	29,960.54
Fund Balance - Beginning	23,102.27	23,102.27
FUND BALANCE- ENDING	\$ 23,102.27	\$ 53,062.81

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 62 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 86,250.76	\$ 80,420.53
360 Miscellaneous Revenue:		
361 Investment Earnings	-	5,838.86
Total Revenue	<u>86,250.76</u>	<u>86,259.39</u>
Expenditures:		
470 Debt Service	<u>86,250.76</u>	-
Total Expenditures	<u>86,250.76</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>86,259.39</u>
Net Change in Fund Balances	-	86,259.39
Fund Balance - Beginning	373,404.75	373,404.75
FUND BALANCE- ENDING	<u>\$ 373,404.75</u>	<u>\$ 459,664.14</u>



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 61 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 364,335.33	\$ 349,223.39
360 Miscellaneous Revenue:		
361 Investment Earnings	-	331.43
Total Revenue	<u>364,335.33</u>	<u>349,554.82</u>
Expenditures:		
470 Debt Service	<u>364,335.33</u>	<u>224,736.03</u>
Total Expenditures	<u>364,335.33</u>	<u>224,736.03</u>

Excess of Revenue Over (Under)		
Expenditures	-	<u>124,818.79</u>
Net Change in Fund Balances	-	124,818.79
Fund Balance - Beginning	15,094.48	15,094.48
FUND BALANCE- ENDING	<u>\$ 15,094.48</u>	<u>\$ 139,913.27</u>

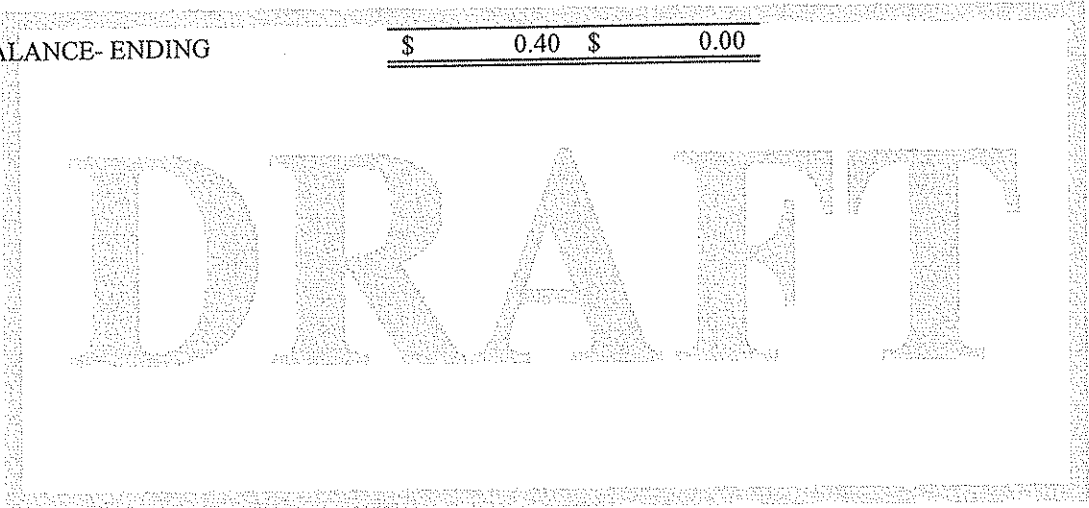
CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 63 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 257,697.49	\$ 251,191.89
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.04
Total Revenue	<u>257,697.49</u>	<u>251,191.93</u>
Expenditures:		
470 Debt Service	<u>257,697.49</u>	<u>257,742.52</u>
Total Expenditures	<u>257,697.49</u>	<u>257,742.52</u>
Excess of Revenue Over (Under)		
Expenditures	-	<u>(6,550.59)</u>
Net Change in Fund Balances	-	<u>(6,550.59)</u>
Fund Balance - Beginning	6,933.11	6,933.11
FUND BALANCE- ENDING	<u>\$ 6,933.11</u>	<u>\$ 382.52</u>

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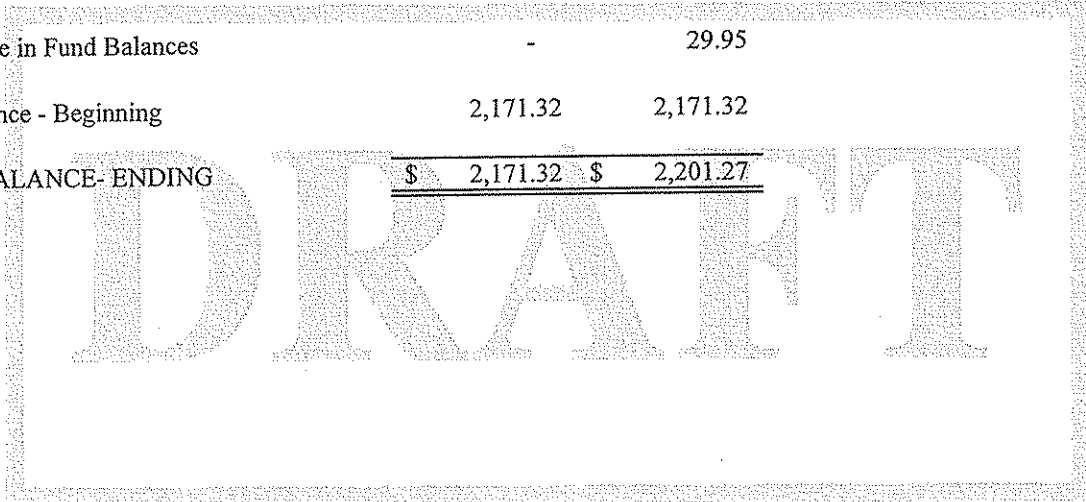
CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 59 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	
Expenditures:			
470 Debt Service	\$ -	\$ 0.40	
Total Expenditures	<u>-</u>	<u>0.40</u>	
Excess of Revenue Over (Under)			
Expenditures	<u>-</u>	<u>(0.40)</u>	
Net Change in Fund Balances	-	(0.40)	
Fund Balance - Beginning	0.40	0.40	
FUND BALANCE- ENDING	<u>\$ 0.40</u>	<u>\$ 0.00</u>	



CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 29 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 28.33	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	29.95
Total Revenue	<u>28.33</u>	<u>29.95</u>
Expenditures:		
470 Debt Service	<u>28.33</u>	-
Total Expenditures	<u>28.33</u>	-
Net Change in Fund Balances	-	29.95
Fund Balance - Beginning	2,171.32	2,171.32
FUND BALANCE- ENDING	<u>\$ 2,171.32</u>	<u>\$ 2,201.27</u>



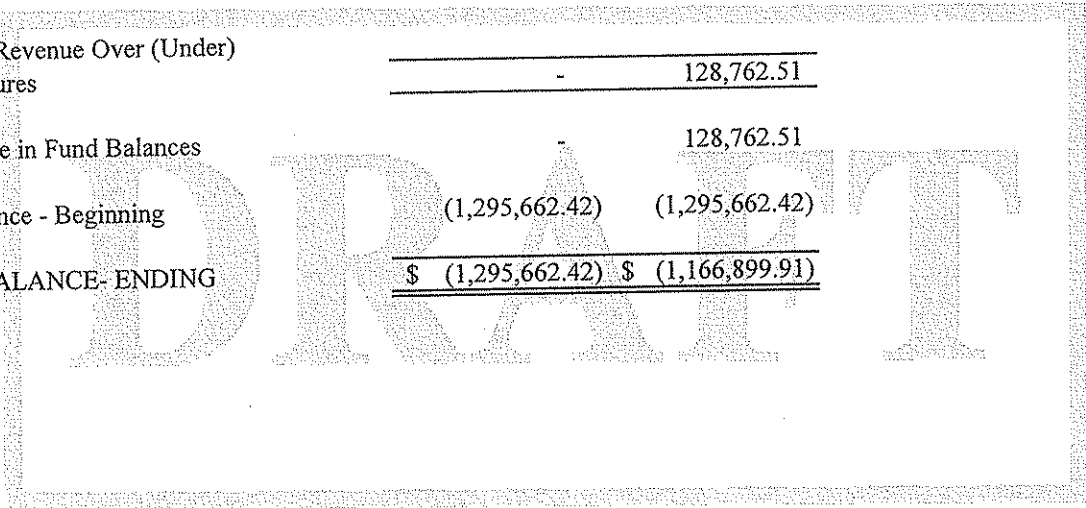
CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 55 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 9,646.61	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	367.20	27.19
Total Revenue	<u>10,013.81</u>	<u>27.19</u>
Expenditures:		
470 Debt Service	9,646.61	8,787.45
Total Expenditures	<u>9,646.61</u>	<u>8,787.45</u>
Excess of Revenue Over (Under)		
Expenditures	<u>367.20</u>	<u>(8,760.26)</u>
Net Change in Fund Balances	367.20	(8,760.26)
Fund Balance - Beginning	8,760.26	8,760.26
FUND BALANCE- ENDING	<u>\$ 9,127.46</u>	<u>\$ -</u>

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CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 56 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,368,363.59	\$ 1,356,437.25
360 Miscellaneous Revenue:		
361 Investment Earnings	-	986.57
Total Revenue	<u>1,368,363.59</u>	<u>1,357,423.82</u>
Expenditures:		
470 Debt Service	<u>1,368,363.59</u>	<u>1,228,661.31</u>
Total Expenditures	<u>1,368,363.59</u>	<u>1,228,661.31</u>
Excess of Revenue Over (Under)		
Expenditures	-	128,762.51
Net Change in Fund Balances	-	128,762.51
Fund Balance - Beginning	(1,295,662.42)	(1,295,662.42)
FUND BALANCE- ENDING	<u>\$ (1,295,662.42)</u>	<u>\$ (1,166,899.91)</u>



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 69 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 1,936,208.29	\$ 168,575.16
360 Miscellaneous Revenue:		
361 Investment Earnings	-	\$ 2,765.27
Total Revenue	<u>1,936,208.29</u>	<u>171,340.43</u>
Expenditures:		
470 Debt Service	1,936,208.29	-
485 Capital Outlay	<u>2,360,198.15</u>	-
Total Expenditures	<u>2,360,198.15</u>	-
Excess of Revenue Over (Under)		
Expenditures	<u>(423,989.86)</u>	<u>171,340.43</u>
Other Financing Sources (Uses)		
391.02 Long-term Debt Issued	2,360,198.15	-
	<u>2,360,198.15</u>	<u>-</u>
Net Change in Fund Balances	1,936,208.29	171,340.43
Fund Balance - Beginning	133,087.17	133,087.17
FUND BALANCE- ENDING	<u><u>\$ 2,069,295.46</u></u>	<u><u>\$ 304,427.60</u></u>

CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 54 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	FINAL BUDGET	ACTUAL
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 2,032,691.30	\$ 314,100.57
360 Miscellaneous Revenue:		
361 Investment Earnings	-	2,135.89
Total Revenue	<u>2,032,691.30</u>	<u>316,236.46</u>
Expenditures:		
470 Debt Service	2,032,691.30	353,599.67
485 Capital Outlay	-	-
Total Expenditures	<u>2,032,691.30</u>	<u>353,599.67</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(37,363.21)</u>
Other Financing Sources/(Uses)		
511 Transfers Out	(2,424,000.00)	(2,190,242.52)
391.02 Long-term Debt Issued	2,424,000.00	2,190,242.52
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(37,363.21)
Fund Balance - Beginning	62,591.74	62,591.74
FUND BALANCE- ENDING	<u>\$ 62,591.74</u>	<u>\$ 25,228.53</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 44 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 948,330.38	\$ 948,330.07
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.31
Total Revenue	<u>948,330.38</u>	<u>948,330.38</u>
Expenditures:		
470 Debt Service	948,330.38	923,154.01
485 Capital Outlay	-	-
Total Expenditures	<u>948,330.38</u>	<u>923,154.01</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>25,176.37</u>
Net Change in Fund Balances	-	25,176.37
Fund Balance - Beginning	18,291.99	18,291.99
FUND BALANCE- ENDING	<u>\$ 18,291.99</u>	<u>\$ 43,468.36</u>

CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 50 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

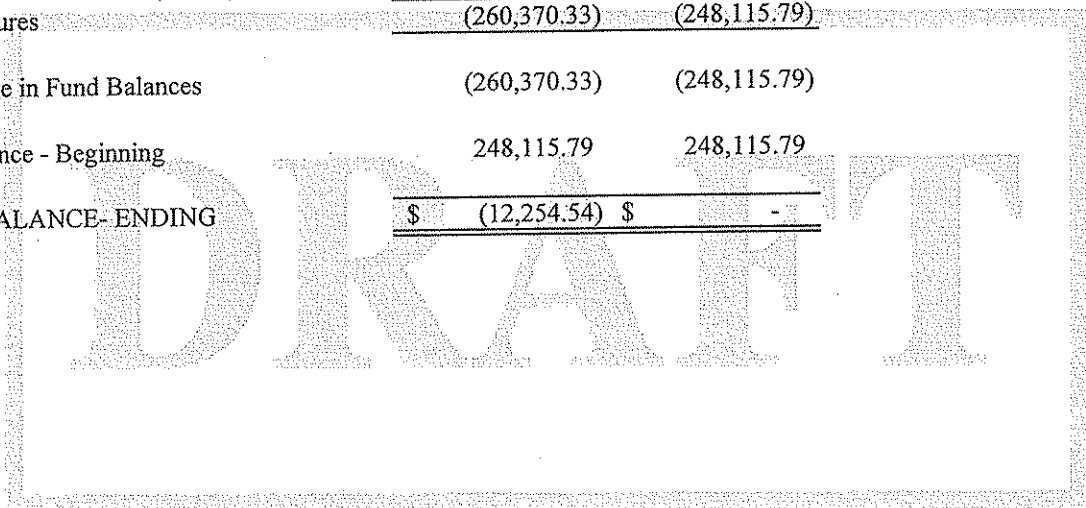
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 253,880.51	\$ 249,636.35
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.05
Total Revenue	<u>253,880.51</u>	<u>249,636.40</u>
Expenditures:		
470 Debt Service	<u>253,880.51</u>	<u>399,849.00</u>
Total Expenditures	<u>253,880.51</u>	<u>399,849.00</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(150,212.60)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	-	145,962.58
Total Other Financing Sources (Uses)	<u>-</u>	<u>145,962.58</u>
Net Change in Fund Balances	-	(4,250.02)
Fund Balance - Beginning	10,971.72	10,971.72
FUND BALANCE- ENDING	<u>\$ 10,971.72</u>	<u>\$ 6,721.70</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 52 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 28,062.36	\$ 28,017.62
360 Miscellaneous Revenue:		
361 Investment Earnings	-	44.75
Total Revenue	<u>28,062.36</u>	<u>28,062.37</u>
Expenditures:		
470 Debt Service	<u>28,062.36</u>	<u>48,925.54</u>
Total Expenditures	<u>28,062.36</u>	<u>48,925.54</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(20,863.17)</u>
Other Financing Sources (Uses):		
391.02 Long-term debt issued	-	20,890.16
Total Other Financing Sources (Uses)	<u>-</u>	<u>20,890.16</u>
Net Change in Fund Balances	-	26.99
Fund Balance - Beginning	17.78	17.78
FUND BALANCE- ENDING	<u>\$ 17.78</u>	<u>\$ 44.77</u>

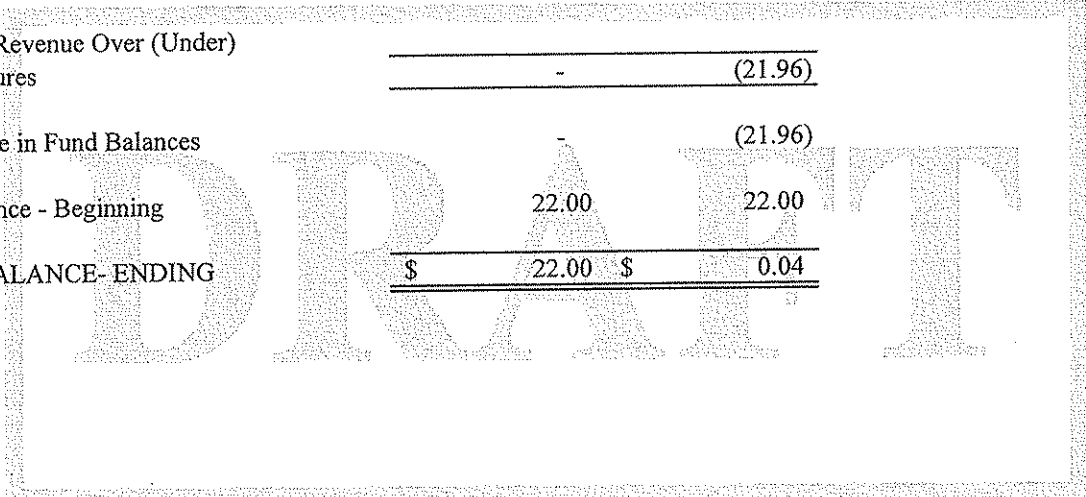
CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 51 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
360 Miscellaneous Revenue:			
361 Investment Earnings	\$ -	\$ 801.15	
Total Revenue	<u>-</u>	<u>801.15</u>	
Expenditures:			
492 Other Expenditures	260,370.33	248,916.94	
Total Expenditures	<u>260,370.33</u>	<u>248,916.94</u>	
Excess of Revenue Over (Under)			
Expenditures	<u>(260,370.33)</u>	<u>(248,115.79)</u>	
Net Change in Fund Balances	(260,370.33)	(248,115.79)	
Fund Balance - Beginning	248,115.79	248,115.79	
FUND BALANCE- ENDING	<u>\$ (12,254.54)</u>	<u>\$ -</u>	



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 53 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 108,798.22	\$ 108,798.18
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.01
Total Revenue	<u>108,798.22</u>	<u>108,798.19</u>
Expenditures:		
470 Debt Service	<u>108,798.22</u>	<u>108,820.15</u>
Total Expenditures	<u>108,798.22</u>	<u>108,820.15</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>(21.96)</u>
Net Change in Fund Balances	-	(21.96)
Fund Balance - Beginning	22.00	22.00
FUND BALANCE- ENDING	<u>\$ 22.00</u>	<u>\$ 0.04</u>

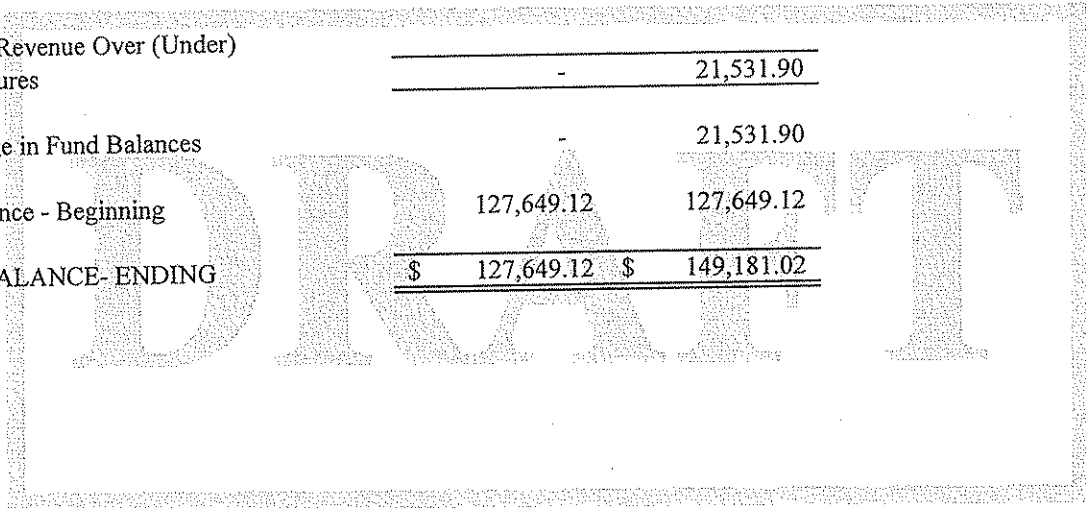


**CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 47 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 99,032.18	\$ 101,060.92
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.06
Total Revenue	99,032.18	101,060.98
Expenditures:		
470 Debt Service	99,032.18	300,920.93
Total Expenditures	99,032.18	300,920.93
Excess of Revenue Over (Under) Expenditures	-	(199,859.95)
Other Financing Sources (Uses):		
391.02 Long-term debt issued	-	201,814.66
Total Other Financing Sources (Uses)	-	201,814.66
Net Change in Fund Balances	-	1,954.71
Fund Balance - Beginning	74.29	74.29
FUND BALANCE- ENDING	\$ 74.29	\$ 2,029.00

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 38 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 537,932.16	\$ 497,667.76	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	2,867.20	
Total Revenue	537,932.16	500,534.96	
Expenditures:			
470 Debt Service	537,932.16	479,003.06	
Total Expenditures	537,932.16	479,003.06	
Excess of Revenue Over (Under) Expenditures	-	21,531.90	
Net Change in Fund Balances	-	21,531.90	
Fund Balance - Beginning	127,649.12	127,649.12	
FUND BALANCE- ENDING	\$ 127,649.12	\$ 149,181.02	

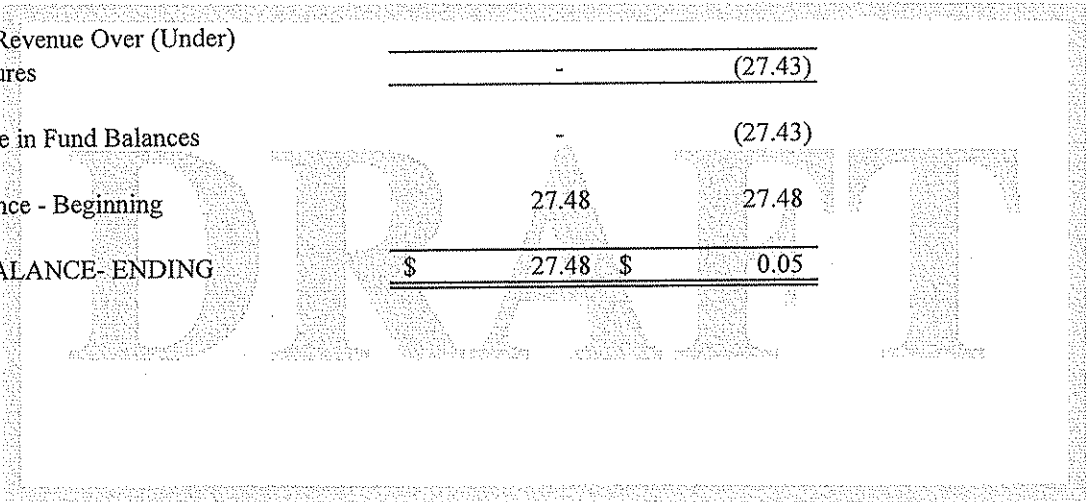


**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 39 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 81,320.69	\$ 92,636.60
360 Miscellaneous Revenue:		
361 Investment Earnings	-	-
Total Revenue	<u>81,320.69</u>	<u>92,636.60</u>
Expenditures:		
470 Debt Service	<u>81,320.69</u>	<u>99,891.38</u>
Total Expenditures	<u>81,320.69</u>	<u>99,891.38</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(7,254.78)</u>
Other Financing Sources		
391.02 Long-term Debt Issued	<u>3,037,472.85</u>	<u>-</u>
Net Change in Fund Balances	3,037,472.85	(7,254.78)
Fund Balance - Beginning	(998,710.27)	(998,710.27)
FUND BALANCE- ENDING	<u>\$ 2,038,762.58</u>	<u>\$ (1,005,965.05)</u>

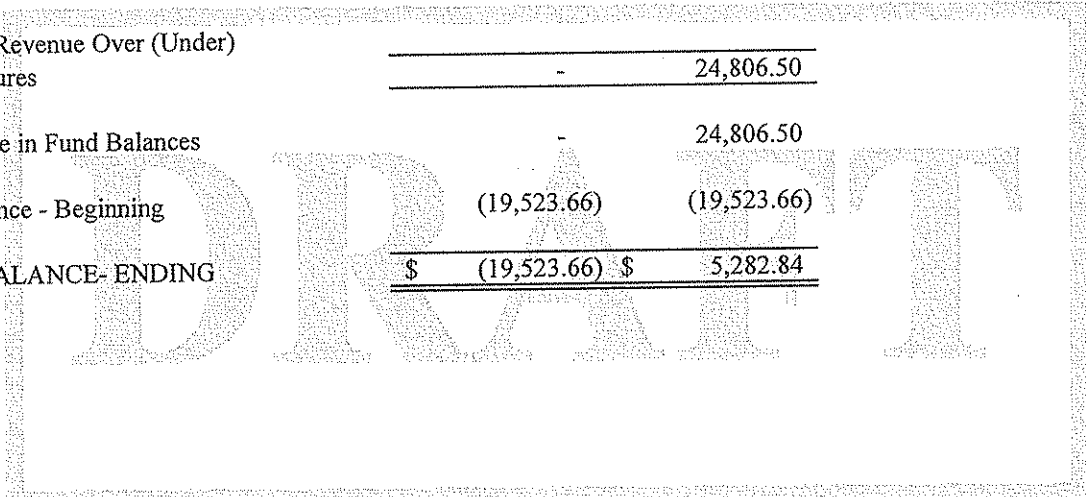
**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 40 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 81,320.69	\$ 81,320.64
360 Miscellaneous Revenue:		
361 Investment Earnings	-	0.02
Total Revenue	<u>81,320.69</u>	<u>81,320.66</u>
Expenditures:		
470 Debt Service	<u>81,320.69</u>	<u>81,348.09</u>
Total Expenditures	<u>81,320.69</u>	<u>81,348.09</u>
Excess of Revenue Over (Under)	<u>-</u>	<u>(27.43)</u>
Expenditures		
Net Change in Fund Balances	-	(27.43)
Fund Balance - Beginning	27.48	27.48
FUND BALANCE- ENDING	<u>\$ 27.48</u>	<u>\$ 0.05</u>



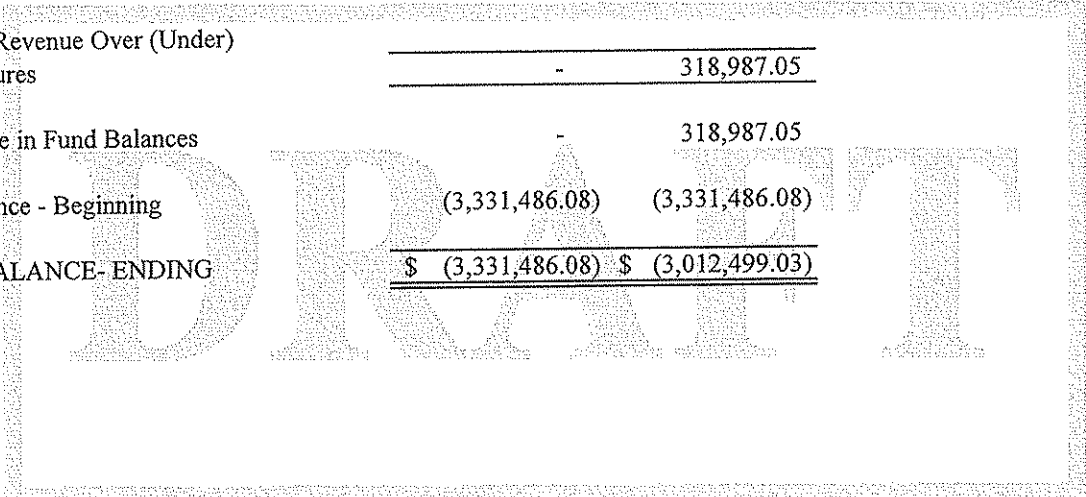
CITY OF RAPID CITY
BUDGETARY COMPARISON SCHEDULE
TID 41 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 850,329.16	\$ 840,300.07
360 Miscellaneous Revenue:		
361 Investment Earnings	-	(8,994.65)
Total Revenue	<u>850,329.16</u>	<u>831,305.42</u>
Expenditures:		
470 Debt Service	<u>850,329.16</u>	<u>806,498.92</u>
Total Expenditures	<u>850,329.16</u>	<u>806,498.92</u>
Excess of Revenue Over (Under)		
Expenditures	<u>-</u>	<u>24,806.50</u>
Net Change in Fund Balances	-	24,806.50
Fund Balance - Beginning	(19,523.66)	(19,523.66)
FUND BALANCE- ENDING	<u>\$ (19,523.66)</u>	<u>\$ 5,282.84</u>



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 42 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
310 Taxes:			
311 General Property Taxes	\$ 492,953.27	\$ 510,643.68	
360 Miscellaneous Revenue:			
361 Investment Earnings	-	0.20	
Total Revenue	<u>492,953.27</u>	<u>510,643.88</u>	
 Expenditures:			
470 Debt Service	<u>492,953.27</u>	<u>191,656.83</u>	
Total Expenditures	<u>492,953.27</u>	<u>191,656.83</u>	
 Excess of Revenue Over (Under)			
Expenditures	<u>-</u>	<u>318,987.05</u>	
 Net Change in Fund Balances	-	318,987.05	
 Fund Balance - Beginning	(3,331,486.08)	(3,331,486.08)	
 FUND BALANCE- ENDING	<u>\$ (3,331,486.08)</u>	<u>\$ (3,012,499.03)</u>	



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 1,027,624.68	\$ 698,805.18
340 Charges for Goods and Services:		
349 Conservation and Development	-	48,451.15
Total Revenue	<u>1,027,624.68</u>	<u>747,256.33</u>
Expenditures:		
460 Community Development:		
463 Community Development	<u>1,028,020.35</u>	<u>817,256.33</u>
Total Expenditures	<u>1,028,020.35</u>	<u>817,256.33</u>

Other Financing Sources		
391.03 Sale of Municipal Property	<u>-</u>	<u>70,000.00</u>
Net Change in Fund Balances	(395.67)	0.00
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	<u>\$ (395.67)</u>	<u>\$ 0.00</u>

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 ARRA COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grant	\$ 3,700.00	\$ 3,697.26
Total Revenue	3,700.00	3,697.26
Expenditures:		
460 Community Development:		
463 Community Development	3,700.00	3,697.26
Total Expenditures	3,700.00	3,697.26
Net Change in Fund Balances	-	-
Fund Balance - Beginning	-	-
FUND BALANCE- ENDING	\$ -	\$ -

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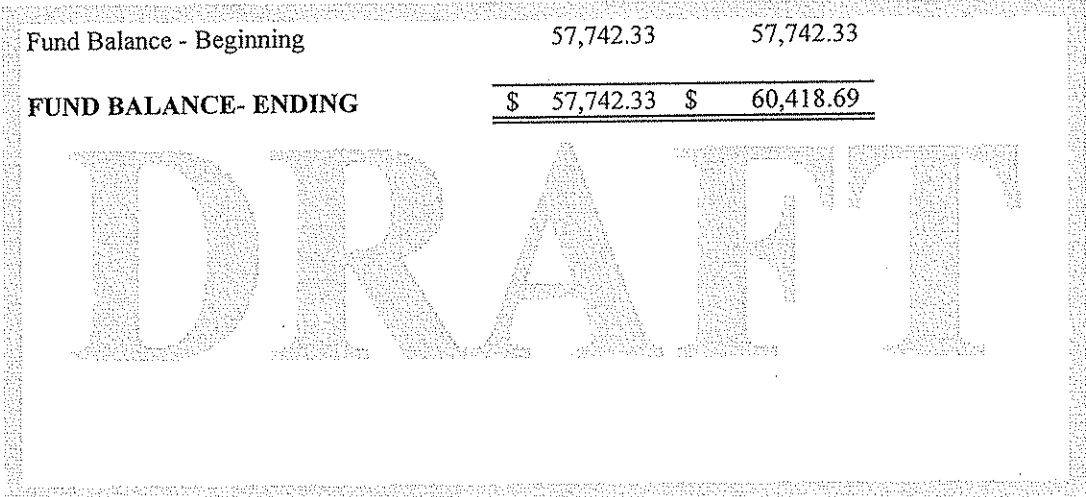
**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 REHABILITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
349 Conservation and Development	\$ -	\$ 60,572.53
Total Revenue	-	60,572.53
 Expenditures:		
460 Conservation & Development		
463 Community Development	-	87,790.40
Total Expenditures	-	87,790.40
Net Change in Fund Balances	-	(27,217.87)
Fund Balance - Beginning	72,872.25	72,872.25
FUND BALANCE- ENDING	\$ 72,872.25	\$ 45,654.38

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**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 CEMETERY PERPETUAL CARE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
340 Charges for Goods and Services:		
348 Cemetery	\$ 1,000.00	\$ 3,252.36
Total Revenue	<u>1,000.00</u>	<u>3,252.36</u>
Expenditures:		
437 Cemetery	<u>1,000.00</u>	<u>576.00</u>
Total Expenditures	<u>1,000.00</u>	<u>576.00</u>
Net Change in Fund Balances	-	2,676.36
Fund Balance - Beginning	57,742.33	57,742.33
FUND BALANCE- ENDING	<u>\$ 57,742.33</u>	<u>\$ 60,418.69</u>



**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 RETIRED SENIOR VOLUNTEER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
331 Federal Grants	\$ 110,765.00	\$ 42,469.72
360 Miscellaneous Revenue:		
367 Contributions and Donations	-	95,739.63
Total Revenue	<u>110,765.00</u>	<u>138,209.35</u>
Expenditures:		
450 Culture and Recreation		
4xx Retired Senior Volunteers	<u>112,184.73</u>	<u>100,543.28</u>
Total Expenditures	<u>112,184.73</u>	<u>100,543.28</u>

Excess of Revenue Over (Under)	<u>(1,419.73)</u>	<u>37,666.07</u>
Expenditures		
Net Change in Fund Balances	(1,419.73)	37,666.07
Fund Balance - Beginning	3,863.41	3,863.41
FUND BALANCE- ENDING	<u>\$ 2,443.68</u>	<u>\$ 41,529.48</u>

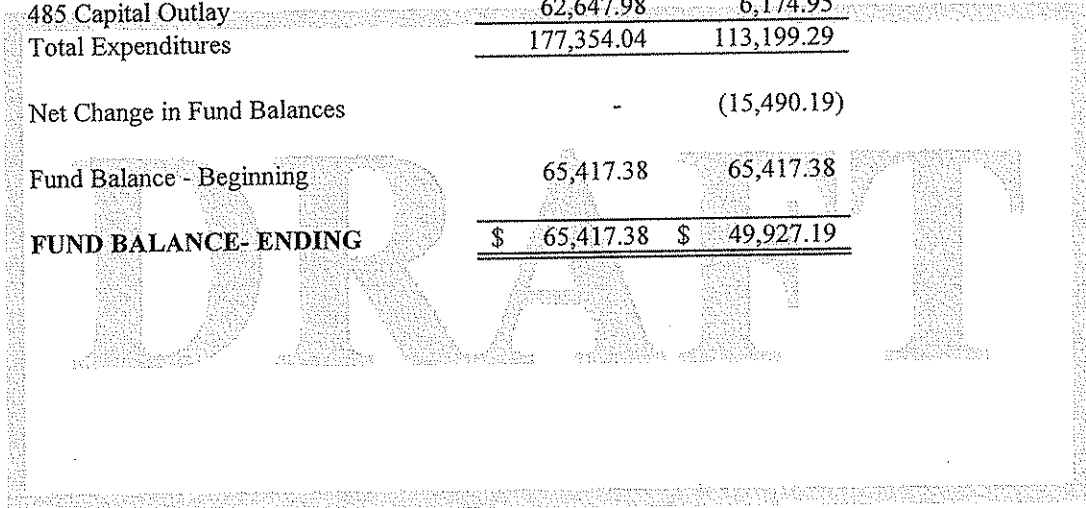
CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 TID 35 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
310 Taxes:		
311 General Property Taxes	\$ 51,091.52	\$ -
360 Miscellaneous Revenue:		
361 Investment Earnings	-	87.08
Total Revenue	51,091.52	87.08
Expenditures:		
470 Debt Service	51,091.52	51,091.52
Total Expenditures	51,091.52	51,091.52

Excess of Revenue Over (Under)		
Expenditures	-	(51,004.44)
Net Change in Fund Balances	-	(51,004.44)
Fund Balance - Beginning	51,004.44	51,004.44
FUND BALANCE- ENDING	\$ 51,004.44	\$ -

**CITY OF RAPID CITY
 BUDGETARY COMPARISON SCHEDULE
 LIBRARY BOARD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
Revenues:		
350 Fine and Forfeitures		
354 Library	\$ 177,354.04	\$ 97,515.80
360 Miscellaneous Revenue:		
361 Investment Earnings	-	193.30
Total Revenue	<u>177,354.04</u>	<u>97,709.10</u>
Expenditures:		
450 Culture and Recreation		
455 Library	114,706.06	107,024.34
485 Capital Outlay	<u>62,647.98</u>	<u>6,174.95</u>
Total Expenditures	<u>177,354.04</u>	<u>113,199.29</u>
Net Change in Fund Balances	-	(15,490.19)
Fund Balance - Beginning	65,417.38	65,417.38
FUND BALANCE- ENDING	<u>\$ 65,417.38</u>	<u>\$ 49,927.19</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 (2003-2011)/NET POSITION (2012) BY COMPONENT
 LAST TEN FISCAL YEARS (UNAUDITED)
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Net investment in capital assets	\$144,262,639	\$160,503,057	\$132,910,951	\$143,729,290	\$145,285,241	\$164,693,934	\$172,182,308	\$187,793,015	\$208,837,368
Restricted	29,457,869	6,682,629	53,279,376	47,176,384	40,701,292	18,539,356	14,758,896	13,366,775	9,046,123
Unrestricted	24,352,521	45,050,470	46,666,209	51,199,627	49,275,876	49,448,544	50,936,346	50,300,225	51,717,860
Total governmental activities net assets/net position	198,073,019	212,236,156	232,856,536	242,105,301	235,265,409	232,681,834	237,877,551	251,460,016	269,601,351
Business-type activities									
Net investment in capital assets	149,103,293	158,723,257	169,802,852	186,750,708	216,637,365	244,066,207	259,988,386	\$ 248,033,105	\$ 286,399,465
Restricted	1,427,277	1,411,216	1,393,171	733,070	1,099,005	8,411,973	3,093,949	26,206,665	9,062,146
Unrestricted	15,414,180	14,418,186	18,455,480	18,759,835	25,281,486	24,469,018	29,673,545	33,066,750	35,052,917
Total business-type activities net assets/net position	165,944,750	174,552,659	189,651,503	206,243,613	243,017,856	276,947,197	292,755,880	307,306,421	330,514,528
Primary government									
Net investment in capital assets	293,365,932	319,226,314	302,713,803	332,479,998	361,925,606	408,760,141	432,170,695	435,826,121	495,236,833
Restricted	30,885,136	8,093,845	54,672,547	47,909,454	41,800,297	26,951,329	17,852,845	39,573,340	18,108,269
Unrestricted	39,766,701	59,468,656	65,121,689	69,959,482	74,557,362	73,917,563	80,609,891	83,366,975	86,770,777
Total primary government net assets/net position	\$364,017,769	\$386,788,815	\$422,508,039	\$450,348,914	\$476,283,265	\$509,629,032	\$530,633,431	\$558,766,436	\$600,115,879

CITY OF RAPID CITY
CHANGE IN NET ASSETS (2003-2011) NET POSITION (2012)
LAST TEN FISCAL YEARS (UNAUDITED)
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
General government	\$ 2,473,998	\$ 2,571,017	\$ 2,762,455	\$ 2,669,052	\$ 2,862,804	\$ 3,286,640	\$ 2,890,364	\$ 3,161,136	\$ 2,929,869	\$ 3,578,786
Public Safety	17,202,666	17,561,369	17,662,771	18,602,753	19,622,564	20,163,551	20,431,619	20,489,978	20,831,125	22,274,806
Public Works	13,000,716	13,298,573	12,571,139	13,607,981	14,223,924	15,969,521	16,768,790	18,573,254	18,466,438	18,505,644
Health & Welfare	1,700,072	1,784,414	1,597,014	2,164,755	2,525,810	2,722,023	2,863,046	3,118,121	2,961,340	3,075,296
Culture & Recreation	6,589,028	7,593,391	8,259,883	8,811,502	9,154,160	10,370,786	9,626,489	9,920,803	9,761,625	10,666,489
Conservation & Development	2,570,409	1,412,439	4,299,606	4,026,988	4,635,879	4,789,817	4,885,342	3,754,414	3,477,995	3,701,548
Interest on Long-Term Debt	1,768,427	1,401,019	1,305,823	2,762,963	3,205,888	3,350,937	3,358,742	5,072,390	5,721,652	3,248,228
Miscellaneous Expenditures	363	841,713	452,179	3,406,407	1,763,573	1,290,526	1,239,052	1,482,151	1,483,064	1,841,005
Total governmental activities expenses	45,305,679	46,463,925	49,210,870	56,050,511	58,035,610	61,943,801	62,053,414	65,572,246	65,623,109	66,881,803
Business-type activities										
Water	5,308,407	5,660,967	6,312,363	7,193,375	7,337,366	6,208,565	7,370,576	9,871,094	10,258,187	9,069,992
Water Reclamation	4,333,321	5,094,496	5,524,521	6,329,089	6,712,680	6,391,356	6,314,809	6,964,714	7,168,432	7,214,734
Airport	3,850,454	4,122,545	4,501,446	4,942,964	5,112,561	6,104,505	5,212,852	5,495,507	6,951,193	7,060,630
Solid Waste Disposal	1,180,332	1,531,212	1,473,722	1,562,615	1,615,860	1,808,113	2,422,426	2,216,215	2,635,305	3,126,572
Solid Waste MRF	2,045,115	2,692,254	2,648,085	2,678,829	2,565,322	3,837,241	2,875,918	2,620,258	2,938,358	2,795,371
Civic Center	5,385,512	5,941,291	6,062,438	6,346,398	6,568,565	8,018,601	10,113,987	10,165,664	9,798,187	9,840,874
Solid Waste Collection	1,597,320	1,515,069	1,624,172	1,739,117	1,947,929	1,554,395	1,665,482	1,825,482	1,926,103	2,034,393
Executive Golf Course	334,131	256,268	265,590	299,630	229,342	197,005	228,376	213,419	213,818	209,350
Cemetery	241,376	257,814	247,501	241,786	251,580	239,109	248,174	241,980	256,161	287,062
Golf Course	917,716	786,669	767,098	781,217	795,172	1,005,330	1,020,308	980,111	1,320,071	1,421,276
Parking Lot & Area	476,762	417,398	421,837	496,220	469,009	551,039	577,254	587,240	680,578	627,952
Energy Plant	244,835	247,385	286,218	339,298	301,859	335,956	243,797	367,807	294,442	338,758
Ambulance	1,483,188	1,885,619	1,877,522	1,918,699	2,165,208	2,609,796	2,566,521	2,931,836	2,727,571	3,032,843
Transportation Terminal	73,520	66,387	74,275	84,016	86,237	83,655	100,956	85,460	146,896	232,978
Total business-type activities	27,470,989	30,475,103	32,106,808	34,923,283	35,187,690	38,245,268	40,971,369	44,566,788	47,314,293	47,312,554
Total primary government expense	\$ 72,776,668	\$ 76,939,028	\$ 81,317,678	\$ 90,973,794	\$ 93,223,300	\$ 100,889,069	\$ 103,024,783	\$ 110,139,034	\$ 112,937,402	\$ 114,194,387
Program Revenues										
Governmental activities										
General government	\$ 1,623,555	\$ 2,249,915	\$ 2,318,669	\$ 2,291,651	\$ 2,229,739	\$ 1,527,301	\$ 710,270	\$ 874,020	\$ 1,448,935	\$ 809,888
Public Safety	871,023	778,487	819,212	1,034,516	950,463	974,646	701,098	733,085	1,105,582	1,734,408
Public Works	2,711,044	1,007,620	2,869,211	1,579,149	794,555	901,411	1,516,598	391,789	389,373	422,429
Health & Welfare	250,525	223,463	233,081	283,795	285,404	315,629	297,825	344,638	389,373	422,429
Culture & Recreation	1,080,690	1,181,478	1,343,498	1,492,145	1,467,547	1,699,456	1,621,920	1,715,176	1,684,726	1,658,222
Conservation & Development	31,103	172,473	139,406	72,701	1,888,132	1,445,312	1,069,334	942,275	1,661,635	1,551,543
Miscellaneous Revenue					80,239	75,727	46,258	158,204	82,127	147,074
Operating Grants & Contributions	2,140,964	2,004,095	2,068,813	2,785,807	1,944,338	1,523,283	2,301,631	2,294,927	3,104,960	2,968,266
Capital Grants & Contributions	3,917,163	9,150,725	9,709,472	1,596,051	6,231,806	6,855,041	3,151,826	3,775,706	2,316,691	8,637,024
Total governmental activities	12,625,367	16,768,256	19,501,292	11,125,815	15,872,221	15,317,805	11,416,759	10,963,725	12,185,818	18,699,915
Business-type activities										
Water	8,833,047	9,159,633	9,413,770	10,041,912	10,996,410	9,679,252	11,846,358	11,476,767	13,457,402	16,892,221
Water Reclamation	4,599,303	4,782,545	6,226,225	6,887,504	8,023,176	8,452,856	8,969,427	9,509,087	9,960,865	10,668,468
Airport	3,329,929	3,541,939	4,063,585	3,833,585	4,288,879	4,917,350	4,689,699	5,160,055	5,348,491	5,245,705
Solid Waste Disposal	1,676,636	1,532,669	1,548,491	1,814,979	2,989,596	2,325,371	2,574,165	2,675,068	2,826,063	3,343,760
Solid Waste MRF	2,754,032	3,238,640	3,413,879	3,354,528	2,110,224	3,610,916	3,149,592	3,364,464	3,590,764	3,521,157
Civic Center	2,995,192	3,140,706	3,525,052	3,082,211	3,174,853	4,206,845	5,830,860	5,403,176	5,403,015	5,171,960
Solid Waste Collection	1,508,526	1,571,225	1,685,063	1,756,437	1,944,670	2,195,863	2,247,255	2,330,246	2,403,399	2,403,399
Executive Golf Course	156,776	126,587	120,435	131,362	137,418	149,257	136,366	137,337	134,729	190,030
Cemetery	140,694	133,244	156,458	165,945	149,899	156,502	133,273	154,602	155,041	150,396
Golf Course	894,044	787,790	731,191	777,777	793,205	1,078,771	982,461	967,139	1,212,133	1,337,329

CITY OF RAPID CITY
CHANGE IN NET ASSETS (2003-2011) NET POSITION (2012)
LAST TEN FISCAL YEARS (UNAUDITED)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Parking Lot & Area	591,889	566,165	528,082	532,415	520,044	627,201	664,490	678,864	685,135	743,221
Energy Plant	198,671	201,643	328,026	303,371	260,985	288,592	284,478	313,295	246,207	320,718
Amplification	1,656,598	2,310,001	2,353,240	2,337,896	2,603,168	3,007,532	2,677,049	2,792,755	3,301,030	3,100,212
Transportation Terminal	28,967	32,570	33,387	30,494	28,111	35,093	29,854	26,367	29,257	13,905
Operating Grants & Contributions	2,627,049	5,382,212	9,257,768	10,439,307	6,636,675	5,449,466	1,532,527	7,233,195	10,889,852	3,559,514
Capital Grants & Contributions	31,991,253	35,507,569	43,374,638	45,491,823	44,657,263	46,180,865	45,810,164	52,039,426	59,402,231	55,661,965
Total business-type activities	\$ 44,617,220	\$ 52,275,825	\$ 62,875,930	\$ 66,617,638	\$ 60,529,474	\$ 61,496,670	\$ 57,226,924	\$ 63,003,152	\$ 71,588,049	\$ 75,360,900
Net (Expense) Revenue	(32,679,712)	(29,695,669)	(29,709,578)	(44,924,696)	(42,163,389)	(46,625,966)	(50,636,655)	(54,608,521)	(53,437,291)	(48,182,866)
Governmental activities	4,520,254	5,032,466	11,267,930	10,568,540	9,669,563	7,235,597	4,838,795	7,472,638	12,087,938	9,349,400
Business-type activities	(28,159,448)	(24,663,203)	(18,441,748)	(34,393,196)	(32,693,826)	(39,560,369)	(45,777,859)	(47,135,863)	(41,349,353)	(38,833,467)
Total primary government net expense	\$ (23,639,194)	\$ (19,630,737)	\$ (7,173,818)	\$ (23,824,656)	\$ (23,023,823)	\$ (32,325,372)	\$ (40,939,064)	\$ (40,663,225)	\$ (29,261,415)	\$ (29,484,067)
General Revenue and other changes net assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 9,032,940	\$ 9,074,257	\$ 11,132,203	\$ 12,258,052	\$ 15,094,006	\$ 15,635,849	\$ 18,260,302	\$ 21,530,507	\$ 21,643,116	\$ 19,986,672
Sales taxes	32,048,237	32,484,575	35,632,430	38,875,471	40,802,422	43,203,611	42,203,906	43,324,949	45,990,061	48,543,581
Other taxes	570,792	252,291	780,324	1,791,451	266,596	2,371,249	2,183,769	2,053,576	2,053,576	2,241,266
State shared revenue	881,196	1,013,404	886,271	1,101,198	1,147,108	1,137,198	1,094,884	1,207,122	1,260,176	1,381,825
County shared revenue	232,901	241,368	241,891	246,342	284,357	241,900	250,900	256,456	295,849	350,266
Non-program grants & contributions	135,654	60,571	40,574	85,546	85,546	2,972,201	1,215,266	2,093,239	2,218,353	1,061,766
Unrestricted investment earnings	1,105,617	1,160,917	1,290,324	4,459,221	4,770,186	2,972,201	1,215,266	2,093,239	2,218,353	1,061,766
Miscellaneous revenue	328,199	229,443	154,187	163,020	196,168	165,734	190,697	168,552	179,317	61,110
Gain (loss) on disposal of capital assets	(93,316)	115,937	(569,595)	(248,967)	5,548	(24,180)	(361,924)	(37,131)	(82,165)	1,064,006
Comp for Loss/Damage to Capital Assets	(1,058,976)	(773,944)	(772,400)	(4,520,224)	(20,837,446)	(21,394,867)	(9,904,259)	(3,258,120)	(6,479,194)	(7,098,179)
Transfers	43,183,244	43,858,819	49,957,349	54,173,465	41,714,291	44,096,697	55,321,001	67,460,333	67,068,323	67,770,651
Total governmental activities	\$ 43,183,244	\$ 43,858,819	\$ 49,957,349	\$ 54,173,465	\$ 41,714,291	\$ 44,096,697	\$ 55,321,001	\$ 67,460,333	\$ 67,068,323	\$ 67,770,651
Business-type activities										
Taxes:										
Gross Receipts Tax	2,331,448	2,332,024	2,498,863	2,634,751	2,797,145	2,922,529	3,062,280	3,217,015	3,263,328	3,568,168
Other taxes	180,569	152,877	293,088	169,500	227,308	253,034	243,812	204,896	177,136	168,373
Unrestricted investment earnings	389,269	375,062	358,223	691,989	1,139,903	1,541,453	606,069	1,329,499	1,505,646	507,791
Miscellaneous revenue	2,410,139	(88,300)	191,356	13,892	663,290	663,290	441,478	668,583	937,473	708,272
Gain (loss) on disposal of capital assets	(132,151)	29,835	(219,115)	(6,785)	411,449	(81,428)	(138,011)	(455,809)	(879,796)	(42,937)
Transfers	1,058,976	773,944	772,400	4,520,224	20,837,446	21,394,867	9,904,259	3,258,120	6,479,194	7,098,179
Total business-type activities	6,218,250	3,575,443	3,884,905	8,023,572	25,513,251	26,693,745	14,119,887	8,222,304	11,482,982	12,027,645
Total primary government	\$ 49,401,494	\$ 47,434,262	\$ 53,862,154	\$ 62,197,037	\$ 67,227,542	\$ 70,790,442	\$ 69,440,888	\$ 75,682,337	\$ 78,551,305	\$ 79,798,497
Change in Net Assets/Net Position	10,503,532	14,163,150	20,247,771	9,248,769	(449,098)	(2,529,299)	4,684,946	12,851,512	13,631,033	19,587,763
Government activities	10,736,514	8,607,909	15,162,635	18,592,112	34,982,814	33,929,342	18,958,682	15,694,942	23,570,920	21,377,246
Business-type activities	(21,242,046)	(22,771,059)	(35,410,405)	(27,840,881)	(34,533,716)	(31,400,043)	(23,843,029)	(28,546,465)	(37,201,963)	(40,965,009)
Total primary government	\$ 10,503,532	\$ 14,163,150	\$ 20,247,771	\$ 9,248,769	\$ (449,098)	\$ (2,529,299)	\$ 4,684,946	\$ 12,851,512	\$ 13,631,033	\$ 19,587,763

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011**	2012
General Fund										
Reserved	\$ 509	\$ 751	\$ 1,072	\$ 920	\$ 685	\$ 2,351	\$ 2,067	\$ 2,232	\$ -	\$ -
Unreserved	17,815	17,409	17,470	16,792	16,214	15,190	11,998	10,486	-	-
Nonspendable	-	-	-	-	-	-	-	-	1,872	1,774
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	524	556
Assigned	-	-	-	-	-	-	-	-	15,469	19,421
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 18,324	\$ 18,160	\$ 18,542	\$ 17,712	\$ 16,899	\$ 17,541	\$ 14,065	\$ 12,718	\$ 17,865	\$ 21,750
All Other Governmental Funds										
Reserved	\$ 8,449	\$ 9,441	\$ 55,241	\$ 48,454	\$ 46,632	\$ 19,134	\$ 23,288	\$ 20,575	\$ -	\$ -
Unreserved, reported in										
Special Revenue	22,269	19,069	22,985	28,999	22,410	30,825	31,012	32,829	-	-
Debt Service	-	-	-	-	-	(3,960)	(8,776)	(7,305)	-	-
Permanent Funds	-	-	-	-	-	68	61	55	-	-
Nonspendable	-	-	-	-	-	-	-	-	6,547	6,317
Restricted	-	-	-	-	-	-	-	-	8,996	3,312
Committed	-	-	-	-	-	-	-	-	28,739	40,352
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(5,645)	(5,185)
Total All Other Governmental Funds	\$ 30,718	\$ 28,510	\$ 78,226	\$ 77,453	\$ 69,042	\$ 46,067	\$ 45,585	\$ 46,154	\$ 38,636	\$ 44,796

** Implementation of GASB 54 changed the nature of reserved funds

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 41,482	\$ 42,391	\$ 47,078	\$ 52,279	\$ 56,278	\$ 60,751	\$ 62,569	\$ 66,828	\$ 69,977	\$ 70,715
Licenses & Permits	1,414	1,874	2,048	2,019	2,362	1,913	1,506	1,278	2,892	1,936
Intergovernmental	3,293	3,259	3,139	4,134	5,134	4,721	5,147	7,773	4,661	12,442
Charges for Services	4,963	3,500	5,616	4,503	5,127	4,367	4,247	3,539	3,739	5,050
Fines and Forfeits	190	240	158	231	207	167	152	134	133	108
Miscellaneous	1,837	1,703	1,866	4,792	5,594	3,658	2,628	2,567	2,660	1,564
Total Revenues	53,179	52,967	59,905	67,958	74,702	75,577	76,249	82,119	84,063	91,814
Expenditures:										
General Government	1,914	2,092	2,283	2,215	2,719	2,851	2,642	2,735	2,441	2,944
Public Safety	15,884	16,531	16,938	18,022	19,591	19,419	20,269	20,084	20,112	21,122
Public Works	7,159	7,267	5,782	6,306	15,251	7,380	7,367	7,740	6,936	6,292
Health & Welfare	1,515	1,639	1,868	2,007	2,827	2,362	2,447	2,492	2,535	2,648
Culture & Recreation	5,507	6,498	6,988	7,497	13,476	9,138	8,457	8,524	8,266	9,116
Development	2,518	1,397	4,252	4,007	4,558	4,717	4,742	3,787	3,498	3,633
Debt Service										
Interest	1,830	1,463	1,376	2,842	2,865	3,351	3,359	5,072	5,722	3,248
Principal	6,716	5,392	5,987	7,264	9,366	10,350	12,010	15,921	15,131	11,762
Capital Outlay	20,270	11,982	10,861	11,479	2,194	35,068	27,933	30,164	20,400	16,506
Miscellaneous	-	842	452	3,406	1,693	1,291	1,239	1,482	1,483	1,841
Total Expenditures	63,313	55,103	56,787	65,045	74,540	95,926	90,466	98,002	86,523	79,111
Excess of Revenue Over (Under) Expenditures	(10,134)	(2,136)	3,118	2,913	161	(20,348)	(14,216)	(15,882)	(2,460)	12,703
Other Financing Sources (Uses)										
Transfers In	3,027	1,060	1,539	1,550	1,107	2,169	873	1,396	2,372	1,420
Transfers Out	(4,086)	(1,834)	(2,011)	(6,070)	(21,306)	(10,528)	(10,777)	(4,654)	(8,851)	(8,168)
Comp for Loss/Damage to Capital Asset	-	-	-	-	-	-	-	-	-	1,064
Proceeds for Borrowing	-	160	46,824	-	10,920	6,355	16,958	17,610	2,055	2,920
Sales of Property	20	378	629	4	86	20	53	22	4	106
Total Other Financing Sources (Uses)	(1,039)	(236)	46,981	(4,516)	(9,194)	(1,983)	7,107	14,374	(4,420)	(2,658)
Net Change in Fund Balance	(11,173)	(2,372)	50,099	(1,603)	(9,032)	(22,332)	(7,110)	(1,509)	(6,881)	10,045
Debt Service as a percentage of Noncapital Expenditures	19.9%	15.9%	16.0%	18.9%	16.9%	22.5%	24.6%	30.9%	31.5%	24.0%

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

FISCAL YEAR	PROPERTY TAX	SALES TAX	FRANCHISE TAX	BANK FRANCHISE TAX	LIQUOR TAX REVERSION	AMUSEMENT TAX	COUNTY ROAD TAX	GROSS RECEIPTS TAX	TOTAL
2003	9,077	32,048	356	38	295	-	-	-	41,814
2004	9,622	32,484	284	92	339	-	-	-	42,821
*2005	11,063	35,652	362	74	309	-	-	-	47,460
2006	12,011	38,875	410	58	333	-	-	77	51,764
2007	15,475	40,802	-	94	417	-	284	266	57,338
2008	15,695	43,204	-	98	364	-	242	1,853	61,454
2009	18,459	42,204	-	111	363	-	251	1,906	63,294
2010	21,635	43,325	-	94	374	-	256	1,868	67,552
2011	22,057	45,990	-	100	377	-	296	1,930	70,750
2012	20,119	48,544	-	115	379	-	350	2,053	71,560

* 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	
2003	2,914,381,622	3,428,684,261	(1)	(1)	2,914,381,622	3,428,684,261	0.85
2004	3,220,316,408	3,788,607,539	(1)	(1)	3,220,316,408	3,788,607,539	0.85
2005	3,438,568,538	4,045,374,751	(1)	(1)	3,438,568,538	4,045,374,751	0.85
2006	3,727,410,934	4,385,189,334	(1)	(1)	3,727,410,934	4,385,189,334	0.85
2007	4,018,678,206	4,727,856,713	(1)	(1)	4,018,678,206	4,727,856,713	0.85
2008	4,324,369,253	5,087,493,239	(1)	(1)	4,324,369,253	5,087,493,239	0.85
2009	4,682,575,409	5,095,292,636	(1)	(1)	4,682,575,409	5,095,292,636	0.92
2010	4,676,521,855	5,000,023,366	(1)	(1)	4,676,521,855	5,000,023,366	0.92
2011	4,548,347,320	4,921,921,341	(1)	(1)	4,548,347,320	4,921,921,341	0.92
2012	4,581,268,458	5,296,771,100	(1)	(1)	4,581,268,458	5,296,771,100	0.86

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		
2003	47	22,754,813	376	55,749,978	1,216,205,021	1,698,176,601	N/A	
2004	79	33,144,799	456	77,101,976	1,376,532,288	1,843,784,120	N/A	
2005	59	34,755,729	475	70,648,172	1,422,673,534	2,015,895,004	N/A	
2006	83	55,259,062	355	66,530,424	1,504,953,522	2,222,457,412	N/A	
2007	83	60,676,861	282	61,623,991	1,580,826,294	2,437,851,912	N/A	
2008	56	44,798,267	204	30,225,075	1,756,482,768	2,567,886,485	N/A	
2009	39	37,383,580	145	28,917,468	1,905,733,014	2,776,842,395	N/A	
2010	33	29,401,549	182	33,430,324	1,897,935,604	2,778,586,251	N/A	
2011	42	46,768,678	219	33,809,421	1,811,751,821	2,736,595,499	N/A	
2012	35	52,155,587	405	65,766,313	1,961,140,294	2,232,370,753	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
2003	3.15	-	-	3.15	16.92	4.94	25.01
2004	3.06	-	-	3.06	16.40	4.73	24.19
2005	3.03	-	-	3.03	16.01	4.70	23.74
2006	2.97	-	-	2.97	15.16	4.58	22.71
2007	2.96	-	-	2.96	14.15	4.57	21.68
2008	2.99	-	-	2.99	13.91	4.75	21.65
2009	3.03	-	-	3.03	13.69	4.90	21.61
2010	3.00	-	-	3.00	13.94	4.84	21.79
2011	3.15	-	-	3.15	13.69	4.84	21.68
2012	3.34	-	-	3.34	13.74	5.21	22.29

CITY OF RAPID CITY
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 DECEMBER 31, 2012

Taxpayer	Type of Business	2012 Assessed Valuation	Percent of Total Assessed Valuation
SM Rushmore Mall	Shopping Mall	\$ 29,360,849	0.64%
Midland Rushmore LLC	Rushmore Crossing	\$ 16,467,727	0.36%
Stoney Creek Associates	Stoney Creek South	\$ 13,285,620	0.29%
Black Hills Surgery Center	Medical Center	\$ 12,516,467	0.27%
Rushmore Plaza	Holiday Inn Motel	\$ 12,480,624	0.27%
Walmart Real Estate	Discount Retail	\$ 11,788,023	0.26%
Sams Real Estate Business Trust	Discount Retail	\$ 9,944,038	0.22%
Regency Midwest Ventures Lmt'd Partnership	Ramada Inn Convention Center	\$ 9,843,856	0.21%
Perkins Delaware	Shopping Center	\$ 9,797,747	0.21%
Harmony Heights	Multi Residential Low Rise	\$ 9,749,160	0.21%
		\$ 135,234,111	2.95%

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

Fiscal Year	Total Tax Levy (2)	Current Tax Collections (2)	Percent of Levy Collected (2)	Delinquent Tax Collections (2)	Total Tax Collections (2)	Percent of		Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes To Tax Levy (2)
						Total Tax Collections (2)	To Tax Levy (2)		
2003	8,681,453	8,578,722	98.8%	195,258	8,773,980	101.1%	(1)	(1)	
2004	9,250,197	9,050,289	97.8%	162,855	9,213,144	99.6%	(1)	(1)	
2005	9,858,569	9,723,310	98.6%	118,992	9,842,302	99.8%	(1)	(1)	
2006	10,509,158	10,113,356	96.2%	205,243	10,318,599	98.2%	(1)	(1)	
2007	11,030,680	10,995,764	99.7%	205,685	11,201,449	101.5%	(1)	(1)	
2008	11,645,977	11,400,163	97.9%	298,571	11,698,734	100.5%	(1)	(1)	
2009	12,307,468	12,099,832	98.3%	167,780	12,267,612	99.7%	(1)	(1)	
2010	12,610,519	12,459,769	98.8%	377,817	12,837,586	101.8%	(1)	(1)	
2011	12,758,891	12,922,877	101.3%	404,565	13,327,442	104.5%	(1)	(1)	
2012	13,167,585	13,525,216	102.7%	237,259	13,762,475	104.5%	(1)	(1)	

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

(2) Excludes Tax Increment Financing District property taxes.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
A. Agriculture, Forestry	\$ 14,167	\$ 15,255	\$ 16,533	\$ 17,372	\$ 20,029	\$ 20,147	\$ 19,366	\$ 18,334	\$ 17,178	\$ 19,552
B. Mining	13,074	12,251	14,518	17,175	12,219	18,040	20,913	5,028	6,029	5,270
C. Construction	3,469	3,137	3,096	2,866	2,656	3,312	2,675	44,752	42,487	45,534
D. Manufacturing	57,201	56,610	61,712	74,599	63,597	68,139	41,513	46,057	62,377	71,395
E. Transportation & Utility	170,370	189,469	180,379	197,472	200,465	208,102	211,201	218,423	222,039	228,786
F. Wholesale Trade	124,906	127,620	93,439	99,669	101,264	99,249	83,720	110,130	137,130	145,787
G. Retail Trade	1,014,298	1,100,896	1,218,739	1,141,396	1,309,433	1,336,008	1,335,932	1,310,694	1,385,775	1,732,134
H. Finance, Insurance	30,653	39,245	42,497	40,047	37,418	31,904	28,554	26,002	29,292	33,677
I. Services	297,209	307,191	321,978	347,832	367,140	396,052	378,986	399,596	395,459	518,292
J. Public Administration	47	-	-	-	-	-	-	30	62	55
K. Other	-	-	42	63	-	-	-	52	1,142	2,908
Total	\$ 1,725,394	\$ 1,851,674	\$ 1,952,933	\$ 1,938,491	\$ 2,114,221	\$ 2,180,954	\$ 2,122,860	\$ 2,179,098	\$ 2,298,970	\$ 2,803,390

Source: SD Department of Revenue

CITY OF RAPID CITY
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2012 (UNAUDITED)

<u>ASSESSED VALUE OF TAXABLE PROPERTY</u>	\$ 4,581,268,458
DEBT LIMITS - General Purposes	
Debt Limitation - 5% of Assessed Value	229,063,423
Utilities (Water & Sewer) - 10% of Assessed Value	458,126,846
Streets, Railways or Electric - 8% of Assessed Value	<u>366,501,477</u>
 Total Debt Limit	 <u><u>1,053,691,745</u></u>
 DEBT APPLICABLE TO LIMITATION *	
General Purposes (5%)	
Sales Tax Bonds	16,020,000
Gross Receipts Bonds	4,715,000
Parking Revenue Bonds	2,195,000
Airport Revenue Bonds	15,370,000
Airport Certificate of Participation	310,000
Waste Water Refunding Bonds	9,465,000
Tax Increment Financing	32,203,026
SRF Loans	7,405,231
Capital Leases	<u>2,285,694</u>
	89,968,951
Utilities (10%) * Outstanding Debt	-
Streets, Railways or Electric (8%) Outstanding Debt	-
 Total Applicable Debt	 89,968,951
 LONG-TERM OBLIGATIONS NOT SUBJECT TO LIMITATION	 <u>32,203,026</u>
 TOTAL DEBT AND LONG TERM OBLIGATIONS	 <u><u>\$ 57,765,925</u></u>
 * The following debt is not included in the schedule:	
Water Revenue Bonds serviced by Water Enterprise Fund Debt	\$ 45,100,000
Unamortized deferred premiums on debt	<u>(137,356)</u>
	<u><u>\$ 44,962,644</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 670,608	\$ 740,673	\$ 790,871	\$ 857,305	\$ 904,924	\$ 994,605	\$ 1,171,917	\$ 1,075,600	\$ 1,046,120	\$ 1,053,692
Total net debt applicable to limit	55,000	49,509	87,400	79,719	80,743	77,944	122,914	78,814	66,675	89,969
Legal debt margin	\$ 615,608	\$ 691,164	\$ 703,471	\$ 777,586	\$ 824,181	\$ 916,661	\$ 1,049,003	\$ 996,786	\$ 979,445	\$ 963,723
Total net debt applicable to limit as percentage of debt limit	8.20%	6.68%	11.05%	9.30%	8.92%	7.84%	10.49%	7.33%	6.37%	8.54%

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

Fiscal Year	Gross Revenue (2)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage	
				Principal	Interest		Total
2003	14,192,199 (1)	6,997,315 (1)	7,194,884	1,071,672 (3)	739,994	1,811,666	2.52
2004	17,449,741	10,362,410	7,087,331	1,147,940	785,442	1,933,382	2.73
2005	20,928,615	11,650,025	9,278,590	1,488,399	951,352	2,439,751	2.63
2006	21,885,948	13,805,413	8,080,535	1,558,739	776,582	2,335,321	2.89
2007	23,828,508	19,630,615	4,197,893	1,610,630	727,097	2,337,726	1.80
2008	23,676,658	19,255,466	4,421,192	779,213 (3)	664,609	1,443,822	3.06
2009	26,189,975	19,474,691	6,715,284	2,040,269	922,632	2,962,901	2.27
2010	26,824,773	16,882,004	9,942,769	741,237	2,740,194	3,481,431	2.86
2011	29,481,893	14,849,137	14,632,756	1,252,584	3,176,144	4,428,728	3.30
2012	33,549,615	21,547,589	12,002,026	1,260,000	3,651,989	4,915,355	2.44

- (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 (5)</u>	<u>Per Capita Income (1)</u>	<u>Median Age</u>		<u>School Enrollment (2)</u>	<u>Unemployment Rate (1)</u>
2003	62,552	29,599	34.8	(3)	12,657	3.7%
2004	64,021	31,783	34.8	(3)	12,914	3.3%
2005	65,891	33,165	34.8	(3)	12,932	3.7%
2006	67,447	35,038	34.8	(3)	13,018	3.1%
2007	69,242	36,718	34.8	(3)	12,773	2.9%
2008	70,092	37,621	34.8	(3)	13,116	3.0%
2009	70,004	N/A	34.8	(3)	13,340	4.7%
2010	67,956	33,906	34.8	(3)	13,369	5.2%
2011	68,886	35,360	35.6	(4)	13,671	4.1%
2012	69,529	41,286	35.6	(4)	13,697	4.3%

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

(2) Rapid City Independent School District

(3) Official 2000 Census

(4) Official 2010 Census

(5) Estimate provided by the City Transportation Planner

N/A Not available

CITY OF RAPID CITY
PRINCIPAL EMPLOYERS (UNAUDITED)
DECEMBER 31, 2012

Employer	Employees	Rank	Percentage of Employed Work Force
Ellsworth AFB	5,069	1	8.29%
Rapid City Regional Hospital	3,602	2	5.89%
Federal Government	2,954	3	4.83%
City of Rapid City	1,906	4	3.12%
Rapid City Area School District	1,692	5	2.77%
Walmart/Sam's Club	1,205	6	1.97%
State of South Dakota	1,171	7	1.91%
SD Army National Guard	1,025	8	1.68%
Pennington County	628	9	1.03%
Black Hills Corporation	555	10	0.91%
	19,807		32.38%

Source: Rapid City Economic Development Partnership

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

Function:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	28	29	29	30	30	40	44	46	46	46
Public Safety										
Police	128	128	129	131	131	130	134	138	142	146
Fire	111	112	106	106	106	105	105	105	105	105
Code Enforcement	3	3	3	3	3	4	3	3	3	3
Advocates for Community Enhancement	2	2	2	1	1	1	-	-	-	-
Public Works										
Street	50	50	50	50	50	52	52	52	52	52
Public Works Administration	24	24	24	25	26	26	27	27	28	37
Water Operations	36	36	36	36	36	36	37	37	37	37
Wastewater Operations	27	27	27	28	28	28	29	29	29	29
Solid Waste Collection	12	12	12	12	12	12	14	14	14	14
Solid Waste Disposal	7	7	7	8	8	8	8	8	8	8
Waste Municipal Recycling	23	23	23	24	24	24	24	24	24	24
Health and Welfare										
Ambulance	17	17	23	24	30	30	30	30	30	30
Public Transit	19	19	20	23	23	25	27	27	27	27
Air Quality	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation	4	4	3	3	3	3	3	3	3	2
Ice Arena	4	4	4	4	4	5	4	4	4	3
Golf Course	6	6	6	7	6	6	6	6	6	7
Parks	20	20	20	20	20	22	21	21	21	19
Swimming Pools	2	6	6	6	6	6	7	7	7	6
Cemetery	3	3	3	3	3	3	3	3	3	3
Library	33	33	33	33	33	34	39	39	39	39
Parks and Recreation Administration	0	2	2	2	2	3	3	3	3	7
Civic Center	33	33	33	33	33	36	36	36	36	40
Energy Plant	7	7	7	7	7	7	5	5	5	5
RSVP	2	2	2	2	2	2	2	2	2	2
Airport Operations	17	17	18	19	20	23	23	23	23	23
Conservation and Development										
GIS Mapping	4	4	4	4	4	3	3	3	3	3
Growth Management	29	29	29	30	33	33	32	30	29	19
Transportation Planning	4	4	4	4	4	5	5	4	4	4
Community Development	2	2	2	2	2	2	3	3	4	4
Parking Lot and Area	4	4	4	4	4	4	4	-	-	-
	662	670	672	685	695	719	734	733	738	743

Based on Permanent Budgeted Employees

CITY OF RAPID CITY
 MISCELLANEOUS STATISTICS (UNAUDITED)
 DECEMBER 31, 2012

Date of Incorporation - February 1883

Form of Government - Mayor/Council

Area - Square Miles - 55.04

Miles of Streets - 387.57

Number of Street Lights - 4,432

Fire Protection

Number of Stations - 7

Number of Firefighters and Officers (including EMS) - 128

Number of Fire Hydrants - 4,245

Police Protection

Number of Stations - 1

Number of Police Officers - 118

Education (Elementary Only)

Attendance Centers - 16

Number of Students - 6,852

Municipal Water Department

Number of Residential Consumers - 22,020

Average Residential Monthly Consumption - 7,547 gallons

Miles of Water Mains - 426

Sewers

Miles of Sanitary Sewer - 324.5

Miles of Storm Sewer - 133

Building Permits Issued (including remodeling and repair) - 4,861

Culture and Recreation

Number of Parks - 32 (consisting of more than 1,600 acres)

Number of Libraries - 3

Number of Volumes - in excess of 155,000

City Employees - 743.25

Total Salaries - \$38,679,882.32

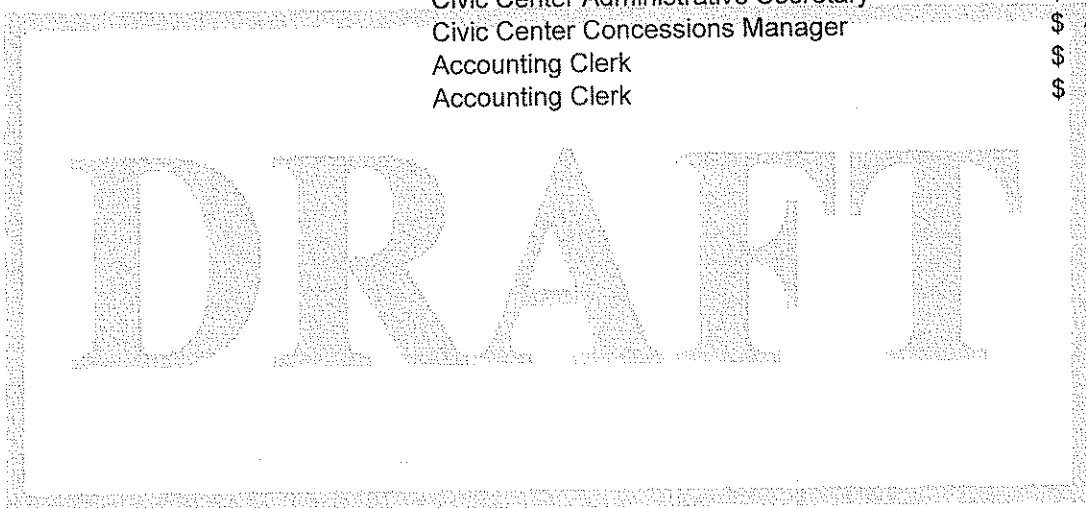
CITY OF RAPID CITY
 SURETY BONDS (UNAUDITED)
 DECEMBER 31, 2012

Finance Officer

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

Coverage

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



SINGLE AUDIT SECTION

DRAFT



Ketel Thorstenson, LLP

Certified Public Accountants/Business & Personal Consultants

810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: ktllp@ktllp.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 the City of Rapid City (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated _____.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as 2012-1 and 2012-2 to be material weaknesses.

Compliance and Other Matters

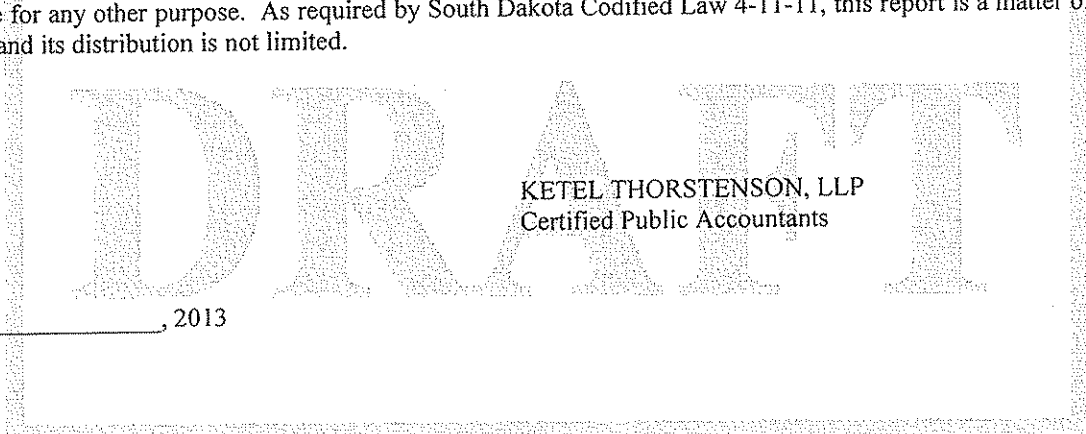
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as 2012-3.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



_____, 2013



Ketel Thorstenson, LLP

Certified Public Accountants/Business & Personal Consultants

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Rapid City (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Unmodified Opinion on Each of the Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as 2012-~~3~~⁴. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan as 2012-4 and 2012-5 to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings, Questioned Costs, and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2013

CITY OF RAPID CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	CFDA NUMBERS	AMOUNT
U.S. Department of Housing and Urban Development:		
<i>Direct Federal Funding:</i>		
CDBG Entitlement Grants Cluster		
Community Development Block Grant/Entitlement (Note 2)	14.218	698,541.07
ARRA - Community Development Block Grant ARRA Entitlement Grants (Note 2)	14.253	3,697.26
Total CDBG Entitlement Grants Cluster		702,238.33
Total U.S. Department of Housing and Urban Development		702,238.33
U.S. Department of the Interior:		
<i>Pass-Through the SD Department of Tourism and State Development</i>		
Historic Preservation Fund Grant-in-Aid	15.904	17,048.98
U.S. Department of Justice:		
<i>Direct Federal Funding:</i>		
Bullet Proof Vest Partnership Program		
Public Safety Partnership and Community Policing Grant	16.607	5,929.00
ARRA - Public Safety Partnership and Community Policing Grant	16.710	189,093.54
Total Public Safety Partnership and Community Policing Grant		226,704.20
Edward Byrne Memorial Justice Assistance Grant Program	16.738	42,762.38
Total U.S. Department of Justice		464,489.12
U.S. Department of Transportation:		
<i>Pass-Through the S.D. Department of Transportation:</i>		
Airport Improvement Program	20.106	2,401,695.10
Highway Planning and Construction	20.205	2,078,045.14
<i>Pass-Through the SD Department of Games Fish & Parks</i>		
Recreational Trails Program	20.219	17,302.34
<i>Pass-Through the S.D. Department of Public Safety:</i>		
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	87,233.55
Minimum Penalties for Repeat Offenders for Driving while intoxicated	20.608	14,116.35
<i>Direct Federal Funding:</i>		
Federal Transit - Formula Grants	20.507	1,142,452.82
Total U.S. Department of Transportation		5,740,845.30
U.S. General Services Administration:		
<i>Pass-through the SD Bureau of Administration - SD Federal Property Agency:</i>		
Donation of Federal Surplus Property	39.003	5,843.87
National Foundation of the Arts and Humanities:		
<i>Pass-Through the SD Department of Tourism and State Development - SD Arts Council</i>		
Promotion of the Arts and Humanities Grant	45.025	1,804.50
U.S. Environmental Protection Agency:		
<i>Direct Federal Funding:</i>		
Congressionally Mandated Projects	66.202	118,255.00
<i>Direct Federal Funding:</i>		
Performance Partnership Grant	66.605	49,573.28
Total U.S. Environmental Protection Agency		167,828.28
Corporation for National and Community Service:		
<i>Direct Federal Funding:</i>		
Retired and Senior Volunteer Program	94.002	42,469.72
U.S. Department of Homeland Security:		
<i>Direct Federal Funding:</i>		
Assistance to Firefighters Grant	97.044	4,500.00
<i>Pass-Through the SD Department of Public Safety - Office of Homeland Security</i>		
Homeland Security Grant Program	97.067	79,308.50
Total U.S. Department of Homeland Security		83,808.50
Total		\$7,226,376.60

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:

211 Helpline	4,384.51
Behavior Management Systems	42,709.92
Bethel Assembly of God	3,697.26
Black Hills Habitat for Humanity	23,397.00
Canyon Lake Senior Citizens	48,386.51
Community Health	200,000.00
Cornerstone Rescue Mission	113,586.89
Dakota Land Trust	34,248.00
Dakota Plains Legal Services	5,000.00
Lutheran Social Services	38,237.00
Minneluzaha Senior Center	60,183.25
Rapid City Community Development	26,663.55
Salvation Army	13,021.14
Teton Coalition	15,312.12
Volunteers of America	6,519.00
Wellspring, Inc.	4,855.00
Working Against Violence	6,970.64
Youth & Family Services	5,023.75
	<u>652,195.54</u>

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Rapid City (the City).
2. Three deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Two deficiencies are considered material weaknesses.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. Two deficiencies disclosed during the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133. These deficiencies are considered material weaknesses.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion.
6. Audit findings relative to the major federal award program for the City are reported in Part C of this schedule.
7. The programs tested as a major program for 2012 were:
 - a. Community Development Block Grant Cluster (CFDA #14.218 and 14.253)
 - b. Federal Transit (CFDA #20.507)
 - c. Airport Improvement Program (CFDA #20.106)
 - d. Highway Planning and Construction Grants (CFDA #20.205)
 - e. Public Safety Partnership and Community Policing Grant (CFDA #16.710)
8. The threshold for distinguishing type A and B programs was \$300,000.
9. The City was not considered a low-risk auditee under the criteria established in OMB Circular A-133.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

B. FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2012-1 Finding: Financial Statement Preparation

Condition and Cause: The Finance Officer was responsible for the preparation of the financial statements, including note disclosures. However, during the audit process we identified the presentation errors, including incomplete implementation of Government Accounting Standards Board Statement No. 63. The City does not have a formal process for the financial statements to be reviewed for completeness or accuracy.

Criteria and Effect: Accurate financial reporting is important to the City. The City's financial statements are provided to numerous granting agencies and current and future debt providers. We realize that the 2012 financial statements were prepared by the Finance Officer due to turnover of finance office staff. The lack of an adequate review process over the financial statements resulted in material misstatements to the City's financial statements and completeness of note disclosures. These items were corrected during the audit process.

Questioned Costs: None

Recommendation: The City should develop a process to timely review the financial statements and note disclosures for completeness and accuracy. Ideally, this review could be completed by the Finance Officer after preparation by the City's staff accountant. Ongoing training should be provided to key finance office personnel to obtain the expertise necessary to prepare and review the financial statements.

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

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

The Finance Officer is responsible for this corrective action plan.

2012-2 Finding: Internal Controls Over Significant Accounts

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

1. We recorded several adjustments to correct due from other governments for grant funds and accounts receivable.
2. We adjusted cash to match the bank reconciliations.
3. We posted several entries to reclassify revenues to appropriate accounts.
4. We adjusted deferred revenue for grants received prior to eligibility requirements being met.

In addition, we identified subsidiary schedules that did not match the general ledger balance, allowance accounts were not properly analyzed and adjusted, and City policies regarding account write-offs were not followed. No audit adjustments resulted from these situations due to immaterial changes.

decrease

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

B. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

MATERIAL WEAKNESS (CONTINUED)

2012-2 Finding: Internal Controls Over Significant Accounts (Continued)

Criteria and Effect: The City's financial statements are provided to numerous granting agencies and current and future debt providers. The City does not have adequate internal controls to ensure the identification and proper recording of revenues at year-end. Due to significant turnover of finance office staff, the Finance Officer prepared many of the year-end adjustments and all of the financial statements. The lack of review over the year-end process resulted in material audit adjustments.

Questioned Costs: None

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

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

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

The Finance Officer is responsible for this corrective action plan.

SIGNIFICANT DEFICIENCY

2012-3 Finding: Budgetary Overdrafts

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

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

Questioned Costs: None

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

Response/Corrective Action Plan: The Finance Office continues to develop procedures to ensure supplemental appropriation ordinances are approved as budget overdrafts are identified. The Finance Office will also continue to evaluate compliance with the budget prior to year-end and make any amendments considered necessary through the supplemental appropriation process.

The Finance Officer is responsible for this corrective action plan.

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

C. FINDINGS – COMPLIANCE AUDIT

MATERIAL WEAKNESSES

2012-4 Finding: Federal Grant Monitoring

Condition and Cause: We noted no actual noncompliance or questioned costs with grant requirements during 2012. However, we noted that the City does not have an overall review process to ensure that all grant requirements are met. The City does not always have adequate review processes to ensure that grant reports are properly completed and filed timely. In addition, the City was unaware of a reporting requirement for the Community Development Block Grant Cluster (CFDA #14.218 and 14.253).

This finding related to all major programs.

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

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

Questioned Costs: None

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

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

CITY OF RAPID CITY

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND CORRECTIVE ACTION PLAN
(CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2012

C. FINDINGS – COMPLIANCE AUDIT (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

2012-4 Finding: Federal Grant Monitoring (Continued)

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

The Finance Officer is responsible for this corrective action plan.

2012-5 Finding: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Condition and Cause: The City Finance Officer prepared the 2012 SEFA. However, audit adjustments were made to several grants due to issues with reconciling the federal grant revenue, federal grant expenditures, and federal grant receivables to the amounts reported on the SEFA. In addition, we identified \$46,290 of federal expenditures related to 2011 that were not properly reported on the 2012 SEFA.

This finding related to all major programs.

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

Questioned Costs: None

Recommendation: When full staffing returns to the finance office, the Finance Officer should direct the preparation of a formal reconciliation of all federal grant revenue and expenditures reported in the general ledger and the annual SEFA report. This process and report should be reviewed by the Finance Officer.

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

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

The Finance Officer is responsible for this corrective action plan.

CITY OF RAPID CITY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012**

Status of Prior Audit Findings and Recommendations:

Finding 2011-1 Financial Statement Preparation: This finding has been repeated as part of finding 2012-1.

Finding 2011-2 Internal Controls over Significant Accounts: This finding has been repeated as part of finding 2012-2.

Finding 2011-3 Budgetary Overdrafts: This finding has been repeated as Finding 2012-3.

Finding 2011-4 Federal Grant Monitoring: This finding has been repeated and expanded as Finding 2012-4.

Finding 2011-5 Preparation of the Schedule of Expenditures of Federal Awards: This finding has been repeated and expanded as Finding 2012-5.

