



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024

CITY OF RAPID CITY

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

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Rapid City
Rapid City, South Dakota

Report on the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of December 31, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Effect of Adopting New Accounting Standard

As discussed in Note 1 to the financial statements, the Governmental Accounting Standards Board issued GASB 101, Compensated Absences, which was adopted by the City as of January 1, 2024. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Correction of an Error

We draw attention to Note 17 to the financial statements, which describes a correction of an error in the December 31, 2023 financial statements. As explained in the note, the error related to cash, liability, revenue, and expense understatements and has been corrected by restating the beginning net position presented. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain other internal control matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison, other post-employment benefits (OPEB) schedules, and pension schedules on pages 7 through 16 and 70 through 77 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

City of Rapid City

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 accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic 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 combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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

September 15, 2025

CITY OF RAPID CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2024

This section of the City of Rapid City's annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year ended on December 31, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Rapid City exceeded its liabilities at the close of the most recent fiscal year by \$1,164,579,241 (Net position). Of this amount, \$186,613,510 (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 \$86,044,828 during 2024.
- As of the close of the current fiscal year, the City of Rapid City's governmental funds reported combined ending fund balances of \$105,863,001.
- At the end of the current fiscal year, fund balance for the general fund was \$39,494,661 or about 40 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts – management's discussion and analysis (this section), the basic financial statements (including related notes), and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services like public safety were financed in the short-term, as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities that the City operates like businesses. The City has five major proprietary funds – the Water Fund, Wastewater Fund, Airport Fund, Civic Center Fund, and Solid Waste Disposal Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provides details about our non-major funds, each of which are added together and presented in a single column in the basic financial statements.

CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds and the fiduciary component units)	The activities of the City that are not proprietary or fiduciary, such as finance office, police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer systems
Required Financial Statements	Statement of Net Position and Statement of Activities	Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

CITY OF RAPID CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health or position.

- Increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and changes in the sales tax revenue base.

The government-wide financial statements of the City are reported in two categories:

- Governmental Activities -- This category includes most of the City's basic services, such as police, fire, public works, parks department and general administration. Property taxes, sales taxes, charges for services, state and federal grants, and interest earnings finance most of these activities.
- Business-type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City's airport, civic center, golf, parking, storm water, energy plant, transportation terminal, water, wastewater, solid waste, and ambulance funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. State law requires some of the funds. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has two kinds of funds:

- Governmental Funds – Most of the City's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds' statements, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary Funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The City's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- 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's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position increased seven percent between fiscal year 2023 and 2024. (See Table A-1).

Table A-1 Summarized Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 132,746,828	\$ 149,205,685	\$ 149,474,843	\$ 124,659,955	\$ 282,221,671	\$ 273,865,640
Capital Assets	373,435,885	340,992,067	801,668,885	727,288,551	1,175,104,770	1,068,280,618
Total Assets	506,182,713	490,197,752	951,143,728	851,948,506	1,457,326,441	1,342,146,258
Deferred Outflows	20,989,401	17,054,101	8,417,486	6,875,099	29,406,887	23,929,200
Long-Term Debt	143,773,544	132,299,668	80,482,124	75,909,592	224,255,668	208,209,260
Other Liabilities	37,378,873	34,827,185	28,812,439	18,363,051	66,191,312	53,190,236
Total Liabilities	181,152,417	167,126,853	109,294,563	94,272,643	290,446,980	261,399,496
Deferred Inflows	14,181,688	18,406,009	17,525,419	8,512,884	31,707,107	26,918,893
<i>Net Position:</i>						
Net Investment in Capital						
Assets	234,176,621	211,512,215	731,110,843	660,860,063	965,287,464	872,372,278
Restricted	4,872,787	14,646,693	7,805,480	7,291,050	12,678,267	21,937,743
Unrestricted	92,788,601	95,560,083	93,824,909	87,884,965	186,613,510	183,445,048
Total Net Position	331,838,009	321,718,991	832,741,232	756,036,078	1,164,579,241	1,077,755,069
Beginning Net Position	320,984,194	295,388,099	757,550,219	720,443,097	1,078,534,413	1,015,831,196
Change in Net Position	\$ 10,853,815	\$ 26,330,892	\$ 75,191,013	\$ 35,592,981	\$ 86,044,828	\$ 61,923,873
Percentage of Change in Net Position	3%	8%	9%	5%	7%	6%

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The difference between the City's assets and liabilities is its net position.

CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Changes in Net Position

The City's revenues totaled \$332,213,780 (See Table A-2). A majority of the City's revenue comes from charges for services and taxes, with 32 cents of every dollar raised coming from charges for services (primarily utility and airport operations) and 39 cents of every dollar raised coming from some type of tax (See Figure A-2). The other 29 percent of the City's total revenue comes from state and federal grants for capital purposes, operating grants, contributions, state shared revenue, interest and miscellaneous.

The total cost of all programs and services was \$246,168,952 (See Table A-2). The City's expenses cover a range of services, including road maintenance, parks and recreation services and utility system services. (See Figure A-3).

Figure A-2: Revenues for 2024

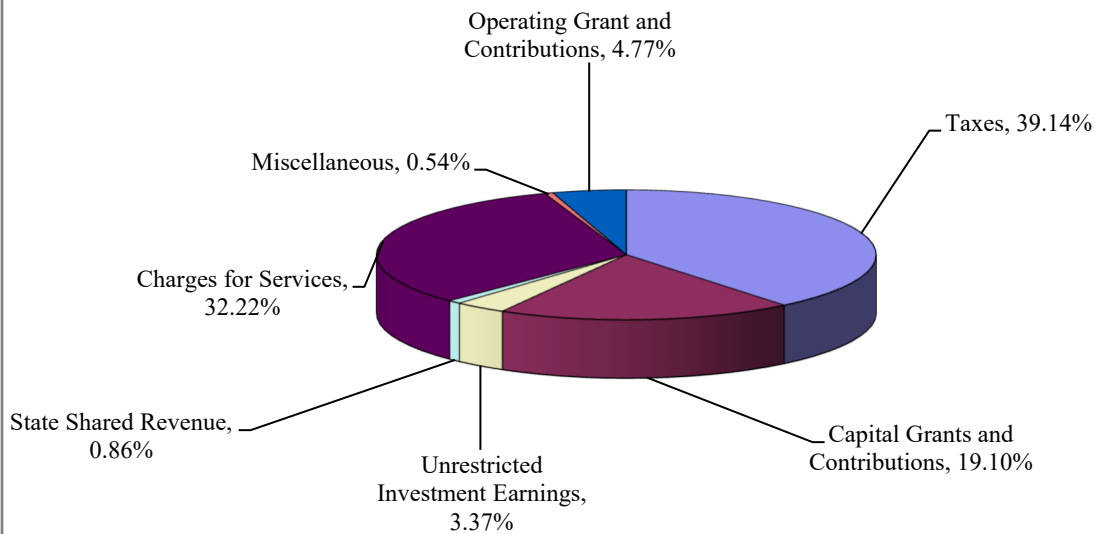
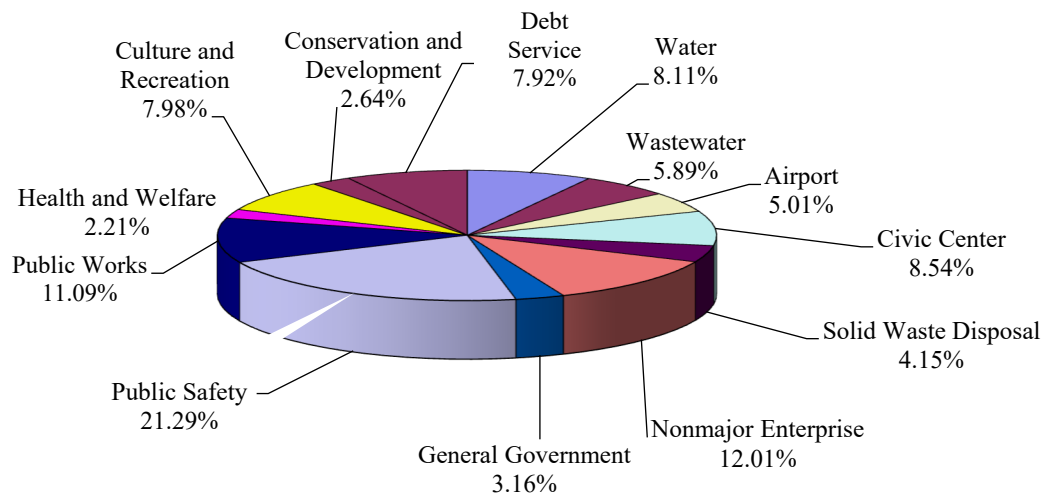


Figure A-3: Expenses for 2024



CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Changes in Net Position

Table A-2 and the narrative that follows consider the operations of the governmental and business - type activities.

Table A-2 Changes in Net Position						
	Governmental Activities		Business - Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 10,368,200	\$ 9,168,965	\$ 96,660,874	\$ 86,897,419	\$ 107,029,074	\$ 96,066,384
Operating Grants and Contributions	15,368,291	13,379,767	476,926	43,165	15,845,217	13,422,932
Capital Grants and Contributions	2,100,000	4,641,986	47,072,092	19,286,064	49,172,092	23,928,050
General Revenues						
Taxes	122,725,534	113,010,267	7,343,206	6,853,966	130,068,740	119,864,233
State Shared Revenue	2,846,164	2,854,892	-	-	2,846,164	2,854,892
Unrestricted Investment Earnings	8,599,837	4,678,883	2,574,180	2,601,942	11,174,017	7,280,825
Miscellaneous	650,240	2,566,053	1,144,305	266,738	1,794,545	2,832,791
Total Revenues	162,658,266	150,300,813	155,271,583	115,949,294	317,929,849	266,250,107

CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table A-2						
Changes in Net Position						
	Governmental Activities		Business - Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Expenses						
General Government	7,524,922	7,017,105	-	-	7,524,922	7,017,105
Public Safety	50,645,425	45,004,077	-	-	50,645,425	45,004,077
Public Works	26,390,266	23,629,296	-	-	26,390,266	23,629,296
Health and Welfare	5,244,868	4,794,616	-	-	5,244,868	4,794,616
Culture and Recreation	18,980,940	17,114,331	-	-	18,980,940	17,114,331
Conservation and Development	6,278,849	8,148,857	-	-	6,278,849	8,148,857
Interest on Long-Term Debt	18,834,049	4,570,897	-	-	18,834,049	4,570,897
Miscellaneous	3,868,689	6,606,825	-	-	3,868,689	6,606,825
Water	-	-	19,250,631	18,448,570	19,250,631	18,448,570
Wastewater	-	-	14,012,575	12,518,486	14,012,575	12,518,486
Airport	-	-	11,915,366	10,866,460	11,915,366	10,866,460
Civic Center	-	-	20,315,540	18,903,988	20,315,540	18,903,988
Solid Waste Disposal	-	-	9,867,024	9,170,590	9,867,024	9,170,590
Solid Waste Collection	-	-	3,937,534	4,024,387	3,937,534	4,024,387
Stormwater Utility	-	-	4,223,586	3,843,409	4,223,586	3,843,409
Executive Golf Course	-	-	371,912	380,112	371,912	380,112
Golf Course	-	-	1,486,827	1,479,679	1,486,827	1,479,679
Parking Lot and Area	-	-	1,405,232	1,310,639	1,405,232	1,310,639
Energy Plant	-	-	714,206	706,095	714,206	706,095
Ambulance	-	-	6,528,617	5,690,552	6,528,617	5,690,552
Transportation Terminal	-	-	87,963	97,263	87,963	97,263
Total Expenses	137,768,008	116,886,004	94,117,013	87,440,230	231,885,021	204,326,234
Excess Before Transfers	24,890,258	33,414,809	61,154,570	28,509,064	86,044,828	61,923,873
Transfers	(14,036,443)	(7,083,917)	14,036,443	7,083,917	-	-
Change in Net Position	10,853,815	26,330,892	75,191,013	35,592,981	86,044,828	61,923,873
Ending Net Position	\$ 331,838,009	\$ 320,984,194	\$ 832,741,232	\$ 757,550,219	\$ 1,164,579,241	\$ 1,078,534,413

CITY OF RAPID CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Governmental Activities

Total revenues of the governmental activities for the City increased approximately 14 percent, while expenses increased approximately 30 percent compared to the prior year. The overall increase in revenues and expenses is due to additional state and federal grant revenue related to capital project expenditures, and unrestricted earnings on investments.

Business-Type Activities

Operating revenues of the City's business-type activities increased by 37 percent compared to the prior year, while expenses increased by 7 percent. The overall increase in operating revenues is due to new customers, increased tourism, and securing major entertainers and shows. Salary and benefit increases, as well as the nation-wide rise in costs of goods and services, attributed to the increase in operating expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The financial analysis of the City's funds mirror those highlighted in the analysis of governmental and business-type activities presented above. The City maintains governmental fund types - General, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Funds. The City also maintains several business type funds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget three times. These amendments fall into two categories:

- Move contingency money, grants, and insurance money to funds to prevent budget overruns
- Supplemental appropriations to increase the budget to prevent budget overruns

CITY OF RAPID CITY

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

CAPITAL ASSET ADMINISTRATION

By the end of 2024, the City had invested \$1,175,104,770 in a broad range of capital assets, including buildings, and construction work in progress. (See Table A-3). This amount represents a net increase (including additions and deductions) of \$106,824,152, primarily due to Wastewater Reclamation, Firestation #1, Airport Terminal, and Sheridan Lake Road projects.

Table A-3 Capital Assets (net of depreciation)				
	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Land	\$ 50,573,974	\$ 50,413,602	\$ 19,581,212	\$ 19,581,212
Construction Work in Progress	28,795,181	23,153,780	100,062,800	\$ 46,409,315
Buildings	73,015,505	72,240,225	228,786,159	232,787,129
Improvements Other Than Buildings	205,218,436	181,020,744	430,539,658	408,204,133
Machinery and Equipment	13,834,818	11,915,999	22,699,056	20,306,762
Intangible Subscription Assets	1,997,971	2,247,717	-	-
Total Capital Assets	\$ 373,435,885	\$ 340,992,067	\$ 801,668,885	\$ 727,288,551

LONG-TERM DEBT

At year-end the City had \$224,255,668 in Revenue Bonds, Tax Increment Districts, Notes Payable, and other long-term obligations. This is a increase of \$15,089,114 as shown on Table A-4 below.

Table A-4 Outstanding Debt and Obligations				
	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Compensated Absences	\$ 4,514,280	\$ 3,554,613	\$ 1,775,057	\$ 1,599,753
Financing Obligations	3,459,070	3,622,083	924,925	1,070,981
Revenue Bonds	106,219,510	111,369,587	72,682,142	68,631,355
Notes Payable	-	10,131	-	-
Tax Increment Districts	27,535,960	12,202,595	-	-
Subscriptions	2,044,724	2,275,456	-	-
Landfill Closure	-	-	5,100,000	4,830,000
Total Outstanding Debt and Obligations	\$ 143,773,544	\$ 133,034,465	\$ 80,482,124	\$ 76,132,089

CITY OF RAPID CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Rapid City's current economic position is strong and continues to grow. There was an increase in total property valuation of \$1,013,376,430. The City requested a 4.03% increase in property tax revenue for the year of 2024 payable in 2025. The growth factor for 2025 taxes payable in 2026 was 1.80%. The growth factor of 2024 taxes payable in 2025 was 4.58%.

The adopted 2026 general fund expenditures budget increased 3.2% over the 2025 budget.

Revenue for the City's business type activities are anticipated to increase, water fees increased 10% for 2026. Wastewater fees increased by 12% for 2025. There was no increase in sanitation fees.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Rapid City's Finance Office, 300 Six 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, 2024**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	COMPONENT UNIT
Assets:						
Cash and Cash Equivalents	\$	26,224,287	\$	42,860,131	\$ 69,084,418	\$ 313,332
Investments		82,860,723		57,566,716	140,427,439	188,024
Receivables, Net		18,894,600		35,589,363	54,483,963	18,539
Internal Balances		(262,760)		262,760	-	-
Other Assets		995,525		2,787,750	3,783,275	45,978
Restricted Cash		3,956,357		10,378,014	14,334,371	-
Net Pension Asset		78,096		30,109	108,205	-
Capital Assets						
Land and Construction Work in Progress		79,369,155		119,644,012	199,013,167	-
Other Capital Assets, Net of Depreciation		294,066,730		682,024,873	976,091,603	191,208
Total Assets		506,182,713		951,143,728	1,457,326,441	757,081
Deferred Outflows of Resources:						
Pension Related Deferred Outflows		13,200,488		5,089,148	18,289,636	-
OPEB Related Deferred Outflows		7,788,913		3,328,338	11,117,251	-
		20,989,401		8,417,486	29,406,887	-
Total Assets and Deferred Outflows of Resources	\$	527,172,114	\$	959,561,214	\$ 1,486,733,328	\$ 757,081
Liabilities:						
Accounts Payable	\$	9,901,372	\$	15,494,972	\$ 25,396,344	11,638
Amount Held for Others		1,555,791		714,607	2,270,398	-
OPEB Liability		22,415,242		9,576,545	31,991,787	-
Other Current Liabilities		3,506,468		3,026,315	6,532,783	28,877
Noncurrent Liabilities						
Due Within One Year		10,295,941		3,961,233	14,257,174	4,715
Due in More than One Year		133,477,603		76,520,891	209,998,494	10,847
Total Liabilities		181,152,417		109,294,563	290,446,980	56,077
Deferred Inflows of Resources						
Deferred Revenue		-		304,548	304,548	-
Lease Related Deferred Inflows		-		12,739,801	12,739,801	-
Grant Related Deferred Inflows		2,736,558		-	2,736,558	-
OPEB Related Deferred Inflows		1,630,607		697,302	2,327,909	-
Pension Related Deferred Inflows		9,814,523		3,783,768	13,598,291	-
Total Deferred Inflows of Resources		14,181,688		17,525,419	31,707,107	-
Net Position						
Net Investment in Capital Assets		234,176,621		731,110,843	965,287,464	191,208
Restricted for:						
Debt Service		184,644		6,469,991	6,654,635	-
Cemetery Trust Fund - Expendable		149,366		-	149,366	-
Cemetery Trust Fund - Nonexpendable		50,000		-	50,000	-
Other Purposes - TID Debt Service		695,844		-	695,844	-
Other Purposes - Business Impr District		11,157		-	11,157	-
Other Purposes - Grants		35,405		-	35,405	82,449
Other Purposes - Library		282,310		-	282,310	-
Other Purposes - Pension		3,464,061		1,335,489	4,799,550	-
Unrestricted		92,788,601		93,824,909	186,613,510	427,347
Total Net Position		331,838,009		832,741,232	1,164,579,241	701,004
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$	527,172,114	\$	959,561,214	\$ 1,486,733,328	\$ 757,081

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, 2024

	----- Program Revenues -----				Net (Expense) Revenue and ----- Changes in Net Position -----			Component Unit MARC
	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	\$ 7,524,922	\$ 5,253,740	\$ 2,981,378	\$ -	\$ 710,196	\$ -	\$ 710,196	\$ -
Public Safety	50,645,425	2,068,545	1,694,417	-	(46,882,463)	-	(46,882,463)	-
Public Works	26,390,266	758,120	9,973,866	2,100,000	(13,558,280)	-	(13,558,280)	-
Health and Welfare	5,244,868	289,979	-	-	(4,954,889)	-	(4,954,889)	-
Culture and Recreation	18,980,940	1,975,916	-	-	(17,005,024)	-	(17,005,024)	-
Conservation and Development	6,278,849	21,900	718,630	-	(5,538,319)	-	(5,538,319)	-
Interest on Long Term Debt (*)	18,834,049	-	-	-	(18,834,049)	-	(18,834,049)	-
Miscellaneous Expenditures	3,868,689	-	-	-	(3,868,689)	-	(3,868,689)	-
Total Governmental Activities	137,768,008	10,368,200	15,368,291	2,100,000	(109,931,517)	-	(109,931,517)	-
Business-Type Activities:								
Water	19,250,631	28,900,572	-	5,052,146	-	14,702,087	14,702,087	-
Wastewater	14,012,575	16,684,062	-	22,869,103	-	25,540,590	25,540,590	-
Airport	11,915,366	14,867,834	246,538	16,626,302	-	19,825,308	19,825,308	-
Civic Center	20,315,540	11,341,819	-	-	-	(8,973,721)	(8,973,721)	-
Solid Waste Disposal	9,867,024	8,339,000	-	-	-	(1,528,024)	(1,528,024)	-
Solid Waste Collection	3,937,534	4,966,153	-	361,436	-	1,390,055	1,390,055	-
Stormwater Utility	4,223,586	2,594,949	-	2,163,105	-	534,468	534,468	-
Executive Golf Course	371,912	354,428	-	-	-	(17,484)	(17,484)	-
Golf Course	1,486,827	1,216,684	-	-	-	(270,143)	(270,143)	-
Parking Lot & Area	1,405,232	1,692,901	-	-	-	287,669	287,669	-
Energy Plant	714,206	642,393	-	-	-	(71,813)	(71,813)	-
Ambulance	6,528,617	5,024,949	230,388	-	-	(1,273,280)	(1,273,280)	-
Transportation Terminal	87,963	35,130	-	-	-	(52,833)	(52,833)	-
Total Business-type Activities	94,117,013	96,660,874	476,926	47,072,092	-	50,092,879	50,092,879	-
Total Primary Government	\$ 231,885,021	\$ 107,029,074	\$ 15,845,217	\$ 49,172,092	\$ (109,931,517)	\$ 50,092,879	\$ (59,838,638)	\$ -
Component Unit:								
Museum Alliance of Rapid City, Inc. (MARC)	\$ 719,283	\$ 299,133	\$ 423,342	\$ -				\$ 3,192
General Revenues:								
Taxes:								
Property Taxes					37,804,938	-	37,804,938	-
Sales Taxes					82,242,529	7,261,359	89,503,888	-
Other Taxes					2,678,067	81,847	2,759,914	-
State Shared Revenue					2,846,164	-	2,846,164	-
Unrestricted Investment Earnings					8,599,837	2,574,180	11,174,017	15,498
Miscellaneous Revenue					650,240	1,144,305	1,794,545	29,674
Transfers					(14,036,443)	14,036,443	-	-
Total General Revenue, Loss and Transfers					120,785,332	25,098,134	145,883,466	45,172
Change in Net Position					10,853,815	75,191,013	86,044,828	48,364
Net Position, Beginning, as Previously Stated					321,718,991	756,036,078	1,077,755,069	652,640
Correction of an Error					-	1,736,638	1,736,638	-
Change in Accounting Principle					(734,797)	(222,497)	(957,294)	-
Net Position, Beginning, as Restated					320,984,194	757,550,219	1,078,534,413	652,640
Net Position, Ending					\$ 331,838,009	\$ 832,741,232	\$ 1,164,579,241	\$ 701,004

The accompanying notes are an integral part of the financial statements.

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

CITY OF RAPID CITY

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Capital Improvements and Vision Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
101 Cash and Cash Equivalents	\$ 6,612,855	\$ 4,946,293	\$ 6,876,022	\$ 18,435,170
106 Cash with Fiscal Agent, Restricted	-	184,644	-	184,644
107.1 Restricted Cash and Cash Equivalents	3,487,563	-	284,150	3,771,713
151 Investments	23,865,835	58,944,483	50,405	82,860,723
110 Property Taxes Receivable--Delinquent	107,155	-	5,420,258	5,527,413
110 Sales Tax Receivable	4,952,518	4,919,641	-	9,872,159
115 Accounts Receivable, Net	753,602	-	4,637	758,239
121 Special Assessments Receivable--Current	18,678	-	91,515	110,193
122 Special Assessments Receivable--Delinquent	88,191	-	-	88,191
128 Notes Receivable	96,749	58,458	-	155,207
131 Due from Other Funds	1,618,320	-	-	1,618,320
133 Advance to Other Funds	5,398,920	-	-	5,398,920
132 Due from Other Governments	1,582,193	-	23,268	1,605,461
135 Interest Receivable	126,589	31,593	12,834	171,016
144 Inventory	995,525	-	-	995,525
Total Assets	\$ 49,704,693	\$ 69,085,112	\$ 12,763,089	\$ 131,552,894
Liabilities, Deferred Inflows of Resources and Fund Balances				
<i>Liabilities</i>				
201 Claims Payable	\$ 2,712,002	\$ 2,159,089	\$ 414,759	\$ 5,285,850
209 Advance from Other Funds	-	-	7,280,000	7,280,000
216 Wages Payable	3,050,933	-	8,859	3,059,792
219 Amounts Held for Others	1,555,791	-	-	1,555,791
Total Liabilities	7,318,726	2,159,089	7,703,618	17,181,433
<i>Deferred Inflows of Resources</i>				
245 Unavailable Revenue -- Property Taxes	60,614	-	5,528,439	5,589,053
246 Unavailable Revenue -- Special Assessments	94,134	-	88,715	182,849
246 Unavailable Revenue -- Grants (ARPA)	2,736,558	-	-	2,736,558
Total Deferred Inflows of Resources	2,891,306	-	5,617,154	8,508,460
<i>Fund Balances (Deficits)</i>				
263 Nonspendable	6,491,194	-	50,000	6,541,194
264 Restricted	-	184,644	1,174,082	1,358,726
265 Committed	-	66,741,379	149,956	66,891,335
266 Assigned	4,864,947	-	-	4,864,947
267 Unassigned (Deficit)	28,138,520	-	(1,931,721)	26,206,799
Total Fund Balances	39,494,661	66,926,023	(557,683)	105,863,001
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 49,704,693	\$ 69,085,112	\$ 12,763,089	\$ 131,552,894

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total Fund Balances - Governmental Funds \$ 105,863,001

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. 373,435,885

Net pension asset reported in governmental activities is not an available
financial resource and therefore is not reported in the funds 78,096

Pension related deferred outflows are components of the net pension asset
and therefore not reported in the funds. 13,200,488

Long term liabilities, including bonds payable and accrued leave payable are
not due and payable in the current period and therefore not reported in the
funds. (143,773,544)

Accrued interest on long-term debt is not due and payable in the current period
and therefore is not reported in the funds. (444,253)

Property Taxes (delinquent) and special assessments (current, delinquent and
deferred) are not available to pay for current period expenditures and therefore are
deferred inflows of resources in the funds. 5,771,902

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 position. 3,777,893

Pension related deferred inflows are components of the net pension asset and
therefore not reported in the funds. (9,814,523)

Other post-employment benefits (OPEB) are not due and payable in the current
period and therefore not reported in the funds. (22,415,242)

OPEB-related deferred outflows and inflows are components of the OPEB liability
and are therefore not reported in the funds. 6,158,306

Total Net Position - Governmental Activities \$ 331,838,009

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

		General Fund	Capital Improvements and Vision Fund	Other Governmental Funds	Total Governmental Funds
Revenue					
<i>Taxes</i>					
311	General Property Taxes	\$ 24,686,071	\$ -	\$ 7,815,449	\$ 32,501,520
313	General Sales and Use Taxes	41,313,860	40,928,669	-	82,242,529
314	Gross Receipts Business Taxes	667,029	-	1,618,612	2,285,641
320	Licenses and Permits	3,623,603	-	-	3,623,603
<i>Intergovernmental Revenue:</i>					
331	Federal Grants	10,073,306	-	469,675	10,542,981
334	State Grants	1,046,597	3,778,713	-	4,825,310
<i>State Shared Revenue:</i>					
355	Bank Franchise Tax	332,976	-	-	332,976
335	Liquor Tax Reversion	504,663	-	-	504,663
335	Motor Vehicle Licenses (5%)	71,389	-	-	71,389
335.1	Fire Insurance Reversion	470,240	-	-	470,240
335.1	Local Government Highway and Bridge Fund	825,221	-	-	825,221
<i>County Shared Revenue:</i>					
338	County Road Tax (25%)	641,675	-	-	641,675
<i>Charges for Goods and Services:</i>					
341	General Government	1,098,812	15,705	-	1,114,517
342	Public Safety	2,065,987	-	-	2,065,987
343	Public Works	417,138	17,750	-	434,888
345	Health & Welfare	289,979	-	-	289,979
346	Culture and Recreation	1,975,916	-	-	1,975,916
348	Cemetery	305,812	-	17,420	323,232
349	Conservation & Development	-	-	21,900	21,900
<i>Fines and Forfeits:</i>					
351	Court Fines and Costs	2,558	-	-	2,558
354	Library	461,192	-	54,428	515,620
<i>Miscellaneous Revenue:</i>					
361	Interest Earnings	7,175,800	1,400,245	23,792	8,599,837
362	Rentals	251,311	-	-	251,311
363	Special Assessments	122,773	-	252,363	375,136
367	Contributions and Donations	-	-	64,972	64,972
369	Other	125,124	6,137	26,406	157,667
Total Revenue		98,549,032	46,147,219	10,365,017	155,061,268
Expenditures					
410	<i>General Government</i>				
412	Executive-Mayor & Council	1,536,849	-	-	1,536,849
414	Financial - Human Resources	839,730	-	-	839,730
414	Financial - Information Technology	1,169,289	-	-	1,169,289
414	Financial - Finance	491,520	121,715	-	613,235
414	Financial - Attorney	485,084	-	-	485,084
419	Other - Government Buildings	1,494,929	-	-	1,494,929
420	<i>Public Safety</i>				
421	Police	24,676,077	-	-	24,676,077
422	Fire	19,442,722	-	-	19,442,722
423	Protective Inspection	420,446	-	-	420,446
429	Other Protection - Emergency Management	2,402,952	-	-	2,402,952
429	Other Protection - Code Enforcement	382,786	-	-	382,786

CITY OF RAPID CITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

		General Fund	Capital Improvements and Vision Fund	Other Governmental Funds	Total Governmental Funds
430	<i>Public Works</i>				
431	Highways and Streets	8,875,992	864,646	-	9,740,638
43x	Administration	1,904,937	2,462,088	-	4,367,025
440	<i>Health and Welfare</i>				
441	Health	1,317,846	-	-	1,317,846
444	Humane Society	402,988	-	-	402,988
449	Other - Public Transit	3,171,481	-	-	3,171,481
449	Other - Air Quality	89,042	-	-	89,042
450	<i>Culture and Recreation</i>				
451	Recreation	510,724	5,731	-	516,455
451	Swimming Pools	3,411,202	-	-	3,411,202
451	Ice Arena	567,094	-	-	567,094
452	Parks	4,466,051	-	-	4,466,051
455	Libraries	3,885,983	-	265,305	4,151,288
457	Historical Preservation	22,598	-	-	22,598
459	Other - Parks and Recreation Administration	724,507	-	-	724,507
459	Other - Retired Senior (RSVP)	-	-	154,848	154,848
459	Other - Cemetery	471,985	-	62	472,047
459	Other - Subsidies	991,250	-	-	991,250
459	Other - Urban Forestry	183,186	-	-	183,186
460	<i>Conservation and Development</i>				
465	Economic Development	2,383,581	2,139,446	368,416	4,891,443
465	Community Development	95,302	-	3,762	99,064
465	Transportation Planning	867,021	-	-	867,021
465	GIS Information System	322,498	-	-	322,498
470	Debt Service	10,214	7,939,334	20,928,774	28,878,322
485	Capital Outlay	9,883,298	38,791,821	14,283,931	62,959,050
490	<i>Miscellaneous</i>				
492	Other Expenditures	29,783	-	3,838,906	3,868,689
Total Expenditures		97,930,947	52,324,781	39,844,004	190,099,732
Excess of Revenue Over (Under) Expenditures		618,085	(6,177,562)	(29,478,987)	(35,038,464)
Other Financing Sources (Uses)					
391	Transfers In (Out)	(841,809)	1,257,838	-	416,029
391	Long-Term Debt Issued	-	-	19,911,752	19,911,752
391	Proceeds from Sale of Capital Assets	334,357	-	-	334,357
Total Other Financing Sources		(507,452)	1,257,838	19,911,752	20,662,138
Net Change in Fund Balances		110,633	(4,919,724)	(9,567,235)	(14,376,326)
Fund Balance - Beginning		39,384,028	71,845,747	9,009,552	120,239,327
FUND BALANCE - ENDING		\$ 39,494,661	\$ 66,926,023	\$ (557,683)	\$ 105,863,001

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total government funds	\$ (14,376,326)
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.	
Capital Outlay	62,959,050
Depreciation	(18,004,693)
Capital assets contributed to the City by developments.	2,100,000
Capital assets transferred to proprietary funds.	(14,452,472)
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.	(158,067)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position (net of premium).	10,132,340
The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.	(19,911,752)
Accrued interest on long-term debt is not due and payable in the current period and is therefore not reported in the funds. The amount represents the change in accrued interest.	(88,067)
Changes in the other post employment benefit obligations related deferred outflows/inflows and related post employment expenses/revenue are not reported as expenditures in the governmental fund statements.	(589,486)
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.	5,320,708
Governmental funds recognize expenditures for compensated absences paid to employees with current financial resources during the fiscal year. Compensated absences earned by employees are not recognized in the funds. In the statement of activities, these benefits are recognized when when the employees earn leave credits.	(959,667)
Internal service funds are used 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.	581,550
Changes in the pension related deferred outflows/inflows, pension liability/asset and related pension expenses/revenue are not reported as expenditures in the governmental fund statements.	(1,699,303)
Change in Net Position of Governmental Activities	\$ 10,853,815

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Water Fund	Wastewater Fund	Airport Fund
Assets and Deferred Outflows of Resources			
Current Assets			
101 Cash and Cash Equivalents	\$ 4,732,771	\$ 5,973,479	\$ 13,636,568
106 Cash with Fiscal Agent, Restricted	4,442,971	-	835,043
151 Investments	28,273,327	10,729,643	14,000,582
115 Accounts Receivable	679,519	563,788	175,939
116 Estimated Uncollectable Accounts Receivable	(230,000)	(170,000)	(45,000)
117 Unbilled Accounts Receivable	1,186,216	958,603	-
110 Sales Tax Receivable	-	-	-
121 Special Assessments Receivable--Current	-	-	-
122 Special Assessments Receivable--Delinquent	-	-	-
130 Lease Receivable	-	-	13,118,096
133 Advance to Other Funds	2,320,000	2,320,000	-
132 Due from Other Government	6,459	8,608,779	4,424,405
135 Interest Receivable	20,153	3,595	4,543
142 Inventory of Stores Purchased for Resale	2,289,228	26,820	-
Total Current Assets	43,720,644	29,014,707	46,150,176
Noncurrent Assets			
196 Net Pension Asset	4,930	3,761	3,122
Capital Assets			
160 Land	7,770,035	2,280,439	1,093,689
162 Buildings	23,180,325	35,729,823	44,128,700
164 Improvements Other than Building	273,844,172	164,708,588	97,517,810
166 Machinery and Equipment	3,820,600	6,362,222	8,937,165
168 Construction Work in Progress	10,312,437	59,269,039	27,284,749
Less: Accumulated Depreciation	(101,787,748)	(73,929,187)	(73,880,243)
Total Noncurrent Assets	217,144,751	194,424,685	105,084,992
Deferred Outflows of Resources			
196 Pension Related Deferred Outflows	833,334	635,691	527,657
196 OPEB Related Deferred Outflows	583,461	449,436	362,147
Total Deferred Outflows of Resources:	1,416,795	1,085,127	889,804
Total Assets and Deferred Outflows of Resources	\$ 262,282,190	\$ 224,524,519	\$ 152,124,972

Civic Center Enterprise Fund	Solid Waste Disposal Funds	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 8,546,022	\$ 234,185	\$ 9,737,106	\$ 42,860,131	\$ 7,789,117
-	5,100,000	-	10,378,014	-
-	4,563,164	-	57,566,716	-
221,336	14,316	5,722,864	7,377,762	605,611
-	(30,000)	(3,494,000)	(3,969,000)	-
-	331,802	82,951	2,559,572	-
603,466	-	849	604,315	-
-	-	2,503,750	2,503,750	-
-	-	18,117	18,117	-
-	-	-	13,118,096	-
-	-	1,820,000	6,460,000	-
21,119	90,721	225,268	13,376,751	-
795	1,986	5,579	36,651	1,110
319,001	-	116,050	2,751,099	-
9,711,739	10,306,174	16,738,534	155,641,974	8,395,838
4,869	3,558	9,869	30,109	-
1,091,682	2,499,851	4,845,516	19,581,212	-
192,819,976	18,294,582	15,153,970	329,307,376	-
11,021,998	31,543,221	96,769,159	675,404,948	-
5,204,871	12,569,725	13,334,554	50,229,137	-
-	1,083,805	2,112,770	100,062,800	-
(54,123,397)	(24,014,614)	(45,181,399)	(372,916,588)	-
156,019,999	41,980,128	87,044,439	801,698,994	-
822,973	601,395	1,668,098	5,089,148	-
605,995	424,816	902,483	3,328,338	-
1,428,968	1,026,211	2,570,581	8,417,486	-
\$ 167,160,706	\$ 53,312,513	\$ 106,353,554	\$ 965,758,454	\$ 8,395,838

CITY OF RAPID CITY

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Water Fund	Wastewater Fund	Airport Fund
Liabilities, Deferred Inflows of Resources			
Current Liabilities			
202 Accounts Payable	\$ 2,030,929	\$ 6,348,294	\$ 4,651,645
208 Due to Other Funds	-	-	-
215 Accrued Interest Payable	126,162	93,316	28,151
219 Amounts Held for Others	-	-	-
220 Customer Deposits	1,325,445	-	-
216 Wages Payable	204,042	161,134	149,768
226 Long-Term Debt Current	2,288,483	794,888	445,000
230 Compensated Absences - Current	15,000	5,000	5,000
Total Current Liabilities	5,990,061	7,402,632	5,279,564
157 Unamortized Premium	2,178,419	199,058	671,548
209 Advance from Other Funds	-	-	-
231 OPEB Long-Term Obligation	1,678,776	1,293,149	1,041,997
231 Long-Term Debt Payable	38,841,682	14,964,618	5,800,000
231 Capital Lease Payable	-	-	-
233 Compensated Absences	335,126	270,688	138,514
235 Accrued Landfill Closure and Postclosure	-	-	-
Total Noncurrent Liabilities	43,034,003	16,727,513	7,652,059
Deferred Inflows of Resources			
245 Deferred Revenue	-	-	-
248 Deferred Inflows - Leases	-	-	12,739,801
248 Pension Related Deferred Inflows	619,581	472,635	392,312
248 OPEB Related Deferred Inflows	122,238	94,159	75,872
Total Deferred Inflows of Resources	741,819	566,794	13,207,985
Total Liabilities, Deferred Inflows of Resources	49,765,883	24,696,939	26,139,608
Net Position			
253.1 Net Investment in Capital Assets	176,009,656	178,661,418	98,836,870
253.2 Restricted - Revenue Bond Retirement	4,442,971	-	835,043
253.3 Restricted - SDRS Pension	218,683	166,817	138,467
253.9 Unrestricted Net Position	31,844,997	20,999,345	26,174,984
Total Net Position	212,516,307	199,827,580	125,985,364
Total Liabilities and Fund Balances	\$ 262,282,190	\$ 224,524,519	\$ 152,124,972

Civic Center Enterprise Fund	Solid Waste Disposal Funds	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 473,313	\$ 1,775,338	\$ 209,845	\$ 15,489,364	\$ 4,621,130
98,483	-	1,519,837	1,618,320	-
2,314	56,841	947	307,731	-
714,607	-	-	714,607	-
-	-	-	1,325,445	-
363,811	156,436	357,948	1,393,139	2,423
330,000	-	62,862	3,921,233	-
10,000	5,000	-	40,000	-
1,992,528	1,993,615	2,151,439	24,809,839	4,623,553
-	-	-	3,049,025	-
656,081	1,000,000	2,922,839	4,578,920	-
1,743,615	1,222,312	2,596,696	9,576,545	-
1,025,000	5,143,446	-	65,774,746	-
-	714,128	147,935	862,063	-
396,249	134,085	460,395	1,735,057	-
-	5,100,000	-	5,100,000	-
3,820,945	13,313,971	6,127,865	90,676,356	-
304,548	-	-	304,548	-
-	-	-	12,739,801	-
611,878	447,135	1,240,227	3,783,768	-
126,959	89,001	189,073	697,302	-
1,043,385	536,136	1,429,300	17,525,419	-
6,856,858	15,843,722	9,708,604	133,011,614	4,623,553
154,660,130	36,118,996	86,823,773	731,110,843	-
-	1,191,977	-	6,469,991	-
215,964	157,818	437,740	1,335,489	-
5,427,754	-	9,383,437	93,830,517	3,772,285
160,303,848	37,468,791	96,644,950	832,746,840	3,772,285
\$ 167,160,706	\$ 53,312,513	\$ 106,353,554	\$ 965,758,454	\$ 8,395,838

CITY OF RAPID CITY

**RECONCILIATION OF THE PROPRIETARY FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total Net Position - Enterprise Funds	\$	832,746,840
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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
Position are different because of the Enterprise Funds' participation
in the activities conducted in the internal service fund.

		(5,608)
Total Net Position - Business-type Activities	\$	832,741,232

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2024**

	Water Fund	Wastewater Fund	Airport Fund	Civic Center Enterprise Fund
Operating Revenue:				
380 Charges for Goods and Services	\$ 28,900,572	\$ 16,684,062	\$ 14,867,834	\$ 11,341,819
Total Operating Revenues	28,900,572	16,684,062	14,867,834	11,341,819
Operating Expenses:				
410 Personal Services	4,918,490	3,726,178	3,063,563	7,397,915
420 Other Current Expense	5,184,268	4,766,015	5,075,154	6,568,886
426.2 Materials (Cost of Goods Sold)	1,050,287	57,638	-	2,179,790
457 Depreciation	6,615,727	5,275,560	3,582,533	4,176,995
Total Operating Expenses	17,768,772	13,825,391	11,721,250	20,323,586
Operating Income (Loss)	11,131,800	2,858,671	3,146,584	(8,981,767)
Nonoperating Revenue (Expense):				
331 Federal Grants	-	23,904,447	16,626,302	-
334 State Grants	25,754	2,095,064	246,538	-
361 Investment Earnings	858,156	662,812	695,947	43,803
470 Interest Expense and Fiscal Charges	(1,534,898)	(228,039)	(227,036)	(47,041)
366 Gain (Loss) on Disposition of Capital Assets	17,389	20,188	33,513	47
369.05 Other Taxes	-	81,492	-	-
313 Sales Tax	-	-	191,316	6,717,907
369 Other	439	17,350	603,544	-
Total Nonoperating Revenue (Expense)	(633,160)	26,553,314	18,170,124	6,714,716
Income (Loss) Before Capital Grants and Transfers	10,498,640	29,411,985	21,316,708	(2,267,051)
391.7 Capital Contributions	(1,951)	4,943,958	(14,100)	-
391.7 Contributions from Developers/Others	5,026,392	1,337,450	-	-
391.1 Transfers In (Out)	(93,545)	(116,223)	-	(105,128)
Net Capital Grants, Contributions and Transfers	14,163,216	88,683,798	57,642,856	11,057,253
Change in Net Position	15,429,536	35,577,170	21,302,608	(2,372,179)
Net Position - Beginning, as Previously Stated	197,134,811	164,287,237	104,707,391	160,985,071
Correction of an Error	-	-	-	1,736,638
Change in Accounting Principle	(48,040)	(36,827)	(24,635)	(45,682)
Net Position - Beginning, as Restated	197,086,771	164,250,410	104,682,756	162,676,027
NET POSITION - ENDING	\$ 212,516,307	\$ 199,827,580	\$ 125,985,364	\$ 160,303,848

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

Solid Waste Disposal Funds	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 8,339,000	\$ 16,527,587	\$ 96,660,874	\$ 15,626,096
8,339,000	16,527,587	96,660,874	15,626,096
3,532,193	9,052,780	31,691,119	229,103
4,463,891	5,209,133	31,267,347	14,586,916
-	11,455	3,299,170	-
1,790,173	4,425,750	25,866,738	-
9,786,257	18,699,118	92,124,374	14,816,019
(1,447,257)	(2,171,531)	4,536,500	810,077
-	230,388	40,761,137	-
361,436	-	2,728,792	-
228,160	85,302	2,574,180	74,030
(119,384)	(138,798)	(2,295,196)	-
11,701	876	83,714	-
-	355	81,847	-
-	352,136	7,261,359	-
379,303	59,955	1,060,591	-
861,216	590,214	52,256,424	74,030
(586,041)	(1,581,317)	56,792,924	884,107
158,928	4,897,779	9,984,614	-
-	2,163,105	8,526,947	-
1,983,502	(2,084,635)	(416,029)	-
3,278,821	4,575,360	179,401,304	1,032,167
1,556,389	3,394,932	74,888,456	884,107
35,942,308	93,287,425	756,344,243	2,888,178
-	-	1,736,638	-
(29,906)	(37,407)	(222,497)	-
35,912,402	93,250,018	757,858,384	2,888,178
\$ 37,468,791	\$ 96,644,950	\$ 832,746,840	\$ 3,772,285

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, 2024**

Net Change in Net Position - Enterprise Funds \$ 74,888,456

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

302,557

Change in Net Position of Business-type Activities \$ 75,191,013

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, 2024**

	Water Fund	Wastewater Fund	Airport Fund
Cash Flows from Operating Activities			
Receipt from Customers	\$ 29,141,747	\$ 16,651,314	\$ 14,599,257
Payments to Suppliers	(6,487,017)	(1,444,614)	(2,813,702)
Payments to Employees	(4,727,576)	(3,532,656)	(2,809,077)
Net Cash Provided (Used) by Operating Activities	17,927,154	11,674,044	8,976,478
Cash Flows from Noncapital Financing Activities			
Sales Tax and Gross Receipts Tax	-	-	191,316
Internal Activity - (Payment) Receipts to Other Funds	(2,320,000)	(2,320,000)	-
Transfers In (Out)	(93,545)	(116,223)	-
Net Cash Provided (Used) by Operating Subsidies and Transfers	(2,413,545)	(2,436,223)	191,316
Cash Flows from Capital and Related Financing Activities			
Proceeds from Capital Debt	-	2,732,213	-
Purchase of Capital Assets	(13,071,487)	(35,735,315)	(20,754,389)
Principal Paid on Capital Debt	(2,360,883)	(636,834)	(492,154)
Interest Paid on Capital Debt	(1,541,201)	(232,682)	(228,495)
Proceeds from Sale of Capital Assets	-	-	-
Other Receipts (Payments)	25,822	22,304,395	13,446,072
Net Cash (Used) by Capital and Related Financing Activities	(16,947,749)	(11,568,223)	(8,028,966)
Cash Flows from Investing Activities:			
Sale (Purchase) of Investments	(827,874)	6,271,763	(426,147)
Interest Earnings	1,047,239	786,997	755,294
Net Cash Provided by Investing Activities	219,365	7,058,760	329,147
Net Change in Cash and Cash Equivalents	(1,214,775)	4,728,358	1,467,975
Balances - Beginning	10,390,517	1,245,121	13,003,636
Balances - Ending	\$ 9,175,742	\$ 5,973,479	\$ 14,471,611

Civic Center Enterprise Fund	Solid Waste Disposal Funds	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ 11,591,616	\$ 8,804,473	\$ 16,974,275	\$ 97,762,682	\$ 15,567,103
(7,954,920)	(2,953,382)	(5,407,781)	(27,061,416)	(14,854,144)
(7,007,433)	(3,373,819)	(8,665,698)	(30,116,259)	(227,966)
(3,370,737)	2,477,272	2,900,796	40,585,007	484,993
6,965,615	50	-	7,156,981	-
(95,547)	1,000,000	(1,707,929)	(5,443,476)	(30,000)
(105,128)	1,983,502	(2,084,635)	(416,029)	-
6,764,940	2,983,552	(3,792,564)	1,297,476	(30,000)
-	5,143,446	-	7,875,659	-
(955,718)	(9,205,956)	(2,078,418)	(81,801,283)	-
(335,000)	(78,696)	(67,361)	(3,970,928)	-
(46,658)	(65,020)	(31,706)	(2,145,762)	-
-	-	1,880	1,880	-
(737)	650,018	642,834	37,068,404	-
(1,338,113)	(3,556,208)	(1,532,771)	(42,972,030)	-
90,634	2,177,596	357,529	7,643,501	
43,008	294,557	83,187	3,010,282	1,286,361
133,642	2,472,153	440,716	10,653,783	1,286,361
2,189,732	4,376,769	(1,983,823)	9,564,236	1,741,354
6,356,290	957,416	11,720,929	43,673,909	6,047,763
\$ 8,546,022	\$ 5,334,185	\$ 9,737,106	\$ 53,238,145	\$ 7,789,117

CITY OF RAPID CITY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Water Fund	Wastewater Fund	Airport Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 11,131,800	\$ 2,858,671	\$ 3,146,584
<i>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</i>			
Depreciation Expense	6,615,727	5,275,560	3,582,533
Change in Assets and Liabilities			
Receivables	241,175	(32,748)	(59,334)
Inventories	(800,128)	(1,238)	-
Accounts and Other Payables	547,666	3,380,277	2,261,452
Amounts Held for Others	-	-	-
Accrued Wages Payable	29,414	31,046	32,044
Other Post Employment Benefits	430,447	309,882	282,891
Accrued Landfill Closure and Post Closure	-	-	-
Accrued Leave Payable	2,362	50,823	2,287
Pension Asset	6,137	5,025	4,069
Lease Receivable	-	-	(8,842,530)
Pension/OPEB Related Deferred Outflows	(466,203)	(330,964)	(275,591)
Deferred Revenue	-	-	-
Lease Deferred Inflow	-	-	8,633,287
Pension/OPEB Related Deferred Inflows	188,757	127,710	208,786
Net Cash Provided (Used) by Operating Activities	\$ 17,927,154	\$ 11,674,044	\$ 8,976,478
Noncash Investing, Capital and Financing Activities			
Gain (Loss) on Disposal of Capital Assets Not Affecting Operating Income	\$ (17,389)	\$ (20,188)	\$ (33,513)
Contribution of Assets from Others	(5,024,441)	(6,281,408)	14,100
Reconciliation of Cash and Cash Equivalents			
Cash and Cash Equivalents	\$ 4,732,771	\$ 5,973,479	\$ 13,636,568
Cash with Fiscal Agent, Restricted	4,442,971	-	835,043
	\$ 9,175,742	\$ 5,973,479	\$ 14,471,611

The accompanying notes are an integral part of the financial statements.

Civic Center Enterprise Fund	Solid Waste Disposal Funds	Nonmajor Proprietary Funds	Totals	Internal Service Funds
\$ (8,981,767)	\$ (1,447,257)	\$ (2,171,531)	\$ 4,536,500	\$ 810,077
4,176,995	1,790,173	4,425,750	25,866,738	-
(54,751)	465,473	446,688	1,006,503	(58,993)
56,132	-	(35,069)	(780,303)	-
23,017	1,240,509	(152,124)	7,300,797	(267,228)
714,607	-	-	714,607	-
146,763	25,548	77,768	342,583	1,137
483,742	305,146	539,750	2,351,858	-
-	270,000	-	270,000	-
38,106	22,025	94,701	210,304	-
6,453	4,542	13,576	39,802	-
-	-	-	(8,842,530)	-
(457,578)	(330,239)	(596,298)	(2,456,873)	-
304,548	-	-	304,548	-
-	-	-	8,633,287	-
172,996	131,352	257,585	1,087,186	-
<u>\$ (3,370,737)</u>	<u>\$ 2,477,272</u>	<u>\$ 2,900,796</u>	<u>\$ 40,585,007</u>	<u>\$ 484,993</u>
\$ (47)	\$ (11,701)	\$ (876)	\$ (83,714)	-
-	(158,928)	(7,060,884)	(18,511,561)	-
\$ 8,546,022	\$ 234,185	\$ 9,737,106	\$ 42,860,131	\$ 7,789,117
-	5,100,000	-	10,378,014	-
<u>\$ 8,546,022</u>	<u>\$ 5,334,185</u>	<u>\$ 9,737,106</u>	<u>\$ 53,238,145</u>	<u>\$ 7,789,117</u>

CITY OF RAPID CITY

**STATEMENT FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 525,189
Total Assets	525,189
Liabilities	
Amounts Held for Others	42,185
Total Liabilities	42,185
Net Position	
Restricted for Individuals, Organization and Other Government	483,004
Total Net Postion	\$ 483,004

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Custodial Funds
Additions	
Member Contributions	\$ 425,611
Administrative Fees	87,432
Total Additions	513,043
Deductions	
Payments to individuals, organization and other governments	458,573
Administrative Fees	11,818
Total Deductions	470,391
Net Increase in Fiduciary Net Position	42,652
Net Position - Beginning	440,352
Net Position - Ending	\$ 483,004

The accompanying notes are an integral part of the financial statements.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

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 funds 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 to operate and maintain the Journey Museum. The MARC is reported as a discretely presented component unit on the City's Statement of Position and Statement of Activities as the MARC is financially dependent on the City. For the year ending December 31, 2024, the MARC received a qualified opinion as a result of not recording contributed rent in accordance with Accounting Standards Codification Topic 958, Not-for-Profit-Entities. More information on this qualification as well as receiving a complete set financial statements can be obtained from the MARC Administrative Office, located at 222 New York St., Rapid City, SD 57701.

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and 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 the discretely presented component unit. 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 above, and may be classified as either governmental or business-type activities.

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

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Basis of Presentation

Fund Financial Statements:

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 the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
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, other governments, or for major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Improvements & Vision Fund – Established by Rapid City Municipal Code Chapter 3.16.060 Capital Improvements & Vision Fund is the consolidation of the former Vision and Consolidated Construction funds. The purpose of the consolidation was to improve the City's ability to bond for future capital improvements and Vision fund projects in addition to obtaining more favorable interest rates on future bonds. Two separate sets of accounts are maintained within this fund to account for sales tax revenues received to finance debt services and capital construction projects. In addition, this fund also accounts for sales tax revenue received to finance debt service and capital construction related to the City's long-term streets, water and sewer plans.

The following remaining Special Revenue funds are not considered to be major funds: Occupancy Tax, Downtown BID, Erosion/Sediment Control, Community Development, Retired Senior Volunteer Program, Library Board and all TID funds. These funds are reported in the fund financial statements as "Other Governmental Funds".

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 costs in relation to the various tax increment districts that have been established, none of which are considered major funds.

Permanent Funds - 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. There are no major permanent funds.

Cemetery Perpetual Care Fund – to account 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 the care and maintenance of the cemetery. (SDCL 9-32-18) This is not a major fund.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Basis of Presentation

Proprietary Funds:

Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users 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).

Major Proprietary Funds include:

Water Fund - financed primarily by user charges; this fund accounts for the construction and operation of the City 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 City sanitary sewer system and related facilities (SDCL 9-48-2).

Airport Fund – financed primarily by user charges and grants, this fund accounts for the construction and operation of the municipal airport and current grant activities.

Civic Center Fund – financed primarily by user fees and third penny sales tax (SDCL 10-52), this fund accounts for the operation of the municipal civic center.

Solid Waste Disposal Fund – financed primarily by user charges; this fund accounts for the construction and operation of the City solid waste system and related facilities (SDCL 9-32-11).

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

Fiduciary Funds:

Fiduciary funds consist of the following sub-category and are never considered to be a major fund:

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for the accumulation and distribution of property tax revenues and various pass-through funds. The City's Section 125 Fund accounts for withholdings from employees for medical and childcare expenses.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

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 funds, while the economic resources measurement focus and the accrual basis of accounting are applied to the proprietary and fiduciary funds.

Basis of Accounting:

Government-wide Financial Statements:

In the Government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded 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).

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 does not exceed one bill-paying cycle, and for the City, the length of that cycle is 60 days. The revenues which are accrued at December 31, 2024 are property and sales tax revenues and special assessments.

Under the modified accrual basis of accounting, receivables may be measurable, but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred inflows of resources are those where asset recognition criteria have been met, but for which revenue recognition criteria 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 funds 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.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Interfund Eliminations and Reclassifications

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements 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 of internal service fund activity, certain “centralized expenses” including an administrative overhead component, are charged as direct expenses to 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 reductions occur in the General Fund, so that expenses are reported only by the function to which they relate.

Fund Financial Statements:

Noncurrent portions of long-term interfund receivables (reported in Advance to asset accounts) are equally offset by a non-spendable fund balance account which indicates that they do not constitute available spendable resources since they are not a component of net current assets. Current portions of interfund receivables (reported in Due from asset accounts) are considered available spendable resources.

Cash and Cash Equivalents

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of cash resources on demand. Accordingly, each proprietary fund’s equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

Investments

Investments classified in the financial statements consist primarily of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investments authorized by South Dakota Codified Law (SDCL) 4-5-6.

Receivables and Payables

Receivables and payables 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 \$58,458 at December 31, 2024 which has a maximum repayment term of 10 years and the Life Safety Loan Receivable totaling \$96,749 at December 31, 2024 which has a maximum repayment term of 7 years. These notes are fully collateralized with letters of credit. Allowances for estimated uncollectible accounts have been established based on the City’s knowledge of current economical conditions and historical losses.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Inventory

Inventory in all funds is recorded at the lower of cost or market, using the first-in, first-out method. Inventories consist of sand, salt and chemicals for snow removal, service connection repair materials and concession items. In the government-wide and proprietary statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed. In the governmental fund 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.

Capital Assets

Capital assets include land, buildings, machinery and equipment, 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 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 Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their acquisition value on the donation date. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

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 classified as "Improvements Other than Buildings".

Depreciation/Amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which is reported as Unallocated Depreciation/Amortization, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and on the proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ -0-	----N/A-----	----N/A-----
Buildings	\$ 15,000	Straight-line	25-50 years
Improvements Other Than Buildings	\$ 15,000	Straight-line	10-50 years
Machinery and Equipment	\$ 10,000	Straight-line	5-40 years
Intangible Subscription Assets	\$ 10,000	Straight-line	5-10 years

Land is an inexhaustible capital asset and is not depreciated.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Capital Assets

Fund Financial Statements:

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

Leases

Lessee:

The City has no significant lessee transactions.

Lessor:

The City is a lessor for noncancellable leases of real estate, airport hangars, and retail space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) with vendors to use vendor-provided information technology. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Subscription-Based Information Technology Arrangements

Key estimates and judgments related to subscription assets include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that apply to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period. Deferred outflows of resources consist of pension activity and other post employment benefits.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as inflow of resources until the applicable future period. Deferred inflows of resources consist of property taxes, special assessments, pension activity, grants, and leases.

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 primarily consist of financing obligations, revenue bonds, tax increment financing, notes payable, subscriptions, 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.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits based on contract terms) years of service and age. All vacation time and estimated retirement severance are accrued when incurred in government-wide and proprietary fund financial statements and recorded as expenditures in the governmental fund statements when the employees use the benefits.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

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 their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) 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:

The City classifies governmental fund balance as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

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.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

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.

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 amounts first when both restricted and unrestricted fund balances are 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 balance when expenditures are made. The City does not have a formal minimum fund balance policy.

Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity is reported as restricted net position.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(1) Summary of Significant Accounting Policies

Equity Classifications

As of December 31, 2024, the City had the following governmental fund classifications:

		General Fund	Capital Improvements and Vision Fund	Other Governmental Funds	Total Governmental Funds
263	Nonspendable:				
263.01	Inventory	\$ 995,525	\$ -	\$ -	\$ 995,525
263.04	Advances	5,398,920	-	-	5,398,920
263.05	Notes Receivable	96,749	-	-	96,749
263.51	Perpetual Care Cemetary	-	-	50,000	50,000
		6,491,194	-	50,000	6,541,194
264	Restricted:				
264.01	Debt Service	-	184,644	695,844	880,488
264.03	Perpetual Care Cemetary	-	-	149,366	149,366
264.05	Library	-	-	282,310	282,310
264.09	BID	-	-	11,157	11,157
264.97	Grant	-	-	35,405	35,405
		-	184,644	1,174,082	1,358,726
265	Committed				
265.02	Vision/Capital Improvements	-	66,741,379	-	66,741,379
265.04	Erosion/Sediment Control	-	-	149,956	149,956
		-	66,741,379	149,956	66,891,335
266	Assigned				
266.01	Subsequent Year's Budget	4,864,947	-	-	4,864,947
		4,864,947	-	-	4,864,947
267	Unassigned	28,138,520	-	(1,931,721)	26,206,799
Total Fund Balances		\$ 39,494,661	\$ 66,926,023	\$ (557,683)	\$ 105,863,001

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Program Revenues

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:

1. 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.
2. 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.
3. 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 Classifications

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.

Emerging Accounting Standards

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, which expands the disclosure requirements for risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosure criteria should be assessed for the primary government reporting unit and all other reporting units that report a liability for revenue debt. A disclosure shall be made in the notes to the financial statements if all of the following criteria are met: a concentration or constraint is known, the concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact, and an event related to the concentration or constraint that could have a substantial impact has occurred or is expected to occur within twelve months of the date the financial statements are issued. The statement is effective for the City's year ending December 31, 2025.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which improves key components of the financial reporting model to enhance its effectiveness in providing information to the users of the financial statements. The statement redefines the information to be included in management's discussion and analysis, clarifies operating vs. nonoperating revenues and expenses in the proprietary fund statement of revenues, expenses and changes in fund net position, provides guidance on the presentation of unusual or infrequent items, updates the requirements of presentation of major component unit information, and changes the presentation of the budgetary comparison schedules. The statement is effective for the City year ending December 31, 2026.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain information regarding capital assets to be presented by major class. This includes lease assets, intangible right-to-use assets under public-private and public-public partnerships, subscription assets, and certain other intangible assets. In addition, new disclosures surrounding capital assets held for sale are required. The statement is effective for the City's year ending December 31, 2026.

The City is evaluating the impact the these statements will have on the financial statements.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies

Accounting Standard Adopted

As of January 1, 2024, the City implemented Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences. Leave that has not been used, is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means should generally be recognized at the employee's pay rate as of the financial statement date. The standard also includes guidance for types of leave other than vacation, requires accrual of salary related payments, and changes the disclosure requirements. Beginning net position and fund balance were restated to retroactively implement the provisions of GASB 101 as displayed on the Statement of Activities and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.

Use of Estimates

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from the estimates used.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deductions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. City contributions and the net pension asset are recognized on an accrual basis of accounting.

Subsequent Events

The City has assessed subsequent events through September 15, 2025, the date which the financial statements were available to be issued.

(2) Deposits and Investments

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 duly authorized to do business in South Dakota.

Investments - In general, SDCL 4-5-6 permits City 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.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(2) Deposits and Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The treasury notes, federal agency obligations, and government sponsored enterprises are measured as level 2 recurring fair value measurements according to the fair value hierarchy. Certificates of deposit are non-negotiable and reported at cost plus accrued interest. As of December 31, 2024, the City had the following investments:

Investment	Credit Rating	Total	Less than 1 Year	1-5 Years	5-10 Years	10 Years or More
Certificates of Deposit	N/A	\$ 107,150,410	\$ 97,150,410	\$ 10,000,000	\$ -	\$ -
US Treasury Notes	N/A	17,538,588	17,318,980	219,608	-	-
US Treasury Bills	N/A	12,188,000	12,188,000	-	-	-
US Government Sponsored:						
FFCB (Federal Farm Credit Banks) Bonds	AAA	3,328,303	-	2,952,556	86,524	289,223
FNMA (Fannie Mae) Pool	AAA	8,610	8,610	-	-	-
FHLMC (Freddie Mac) Pool	AAA	13,200	13,200	-	-	-
FHLB Notes	AAA	200,328	-	-	200,328	-
Total Investments		\$ 140,427,439	\$ 126,679,200	\$ 13,172,164	\$ 286,852	\$ 289,223

At December 31, 2024, the City's cash with fiscal agent accounts consisted of money market accounts with a maturity of less than 1 year.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City allocates income from deposits and investments to the funds 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.

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 an investment policy that further limits its investment choices.

Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of a depository failure, the City's deposits may not be returned to it. The City's investment policy restricts the maximum holding per institution to 50% of the City's total pooled cash fund. As of December 31, 2024, the City's deposits in financial institutions collateralized by securities held by the pledging financial institution were as follows:

	Bank Balance
Insured - FDIC	\$ 1,313,607
Uninsured, collateralized in accordance with SDCL 4-6A-3	68,530,495
Total Deposits	\$ 69,844,102

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(2) Deposits and Investments

Concentration Risk:

The City's investment policy limits the amount that may be invested in any one financial institution to 50%, with exclusion of US Treasury securities. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded in the assessment of concentration of credit risk.

The City classifies cash and investments as restricted based on external and internal restrictions. Externally restricted cash and investment balances are restricted for debt reserves in accordance with loan covenants, amounts held for others, and closure and post-closure landfill costs.

(3) Property Taxes

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.

(4) Due From Other Governments

At December 31, 2024, the City's Due from Other Governments consisted of the following:

Governmental Funds:

General Fund

Police Grants	\$ 381,619
Fire Grants	65,892
Local Counties/ Agencies	90,059
Transportation Planning	61,928
Coronavirus State and Local Fiscal Recovery Funds	340,427
Urban Mass Transit Grant	173,842
Local Government Highway/Bridge	173,297
Liquor Tax Reversion	129,157
Homeland Security Grants	78,972
Fuel Abatement	87,000
Total General Fund	1,582,193

Nonmajor Funds	23,268
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Total Governmental Funds	\$ 1,605,461
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CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(4) Due From Other Governments

Enterprise Funds:

Water Fund	
Bureau of Reclamation	\$ 6,459
Wastewater Fund	
South Dakota Housing - HIFP Grants	1,378,486
Coronavirus State and Local Fiscal Recovery Funds	7,230,293
Total Wastewater Fund	8,608,779
Airport Fund	
Airport Improvement Projects (AIP)	4,424,405
Civic Center Fund	
Facility Rental	21,119
Solid Waste Disposal Fund	
Department of Agriculture and Natural Resources - Cell 15	90,721
Nonmajor Proprietary Funds	
Ambulance - Coronavirus State and Local Fiscal Recovery Funds	180,418
Energy Plant - Rapid City Area Schools	44,850
Total Nonmajor Proprietary Funds	225,268
Total Enterprise Funds	\$ 13,376,751

(5) Individual Fund Interfund Receivable and Payable Balances

Interfund receivable and payable balances at December 31, 2024, are as follows:

Fund	Interfund Receivables	Interfund Payables
<i>Major Funds:</i>		
General Fund	\$ 1,618,320	\$ -
Civic Center Fund	-	98,483
Nonmajor Proprietary Funds	-	1,519,837
Total Interfund Receivable and Payable Balances	\$ 1,618,320	\$ 1,618,320

Interfund receivables and payables are generally made to help maintain positive cash balances at year end. The balances are expected to be repaid within the next year. Interfund advances balances at December 31, 2024, are as follows:

Fund	Interfund Advance To	Interfund Advance From
<i>Major Funds:</i>		
General Fund	\$ 5,398,920	\$ -
Water Fund	2,320,000	-
Wastewater Fund	2,320,000	-
Civic Center Fund	-	656,081
Solid Waste Disposal Fund	-	1,000,000
Nonmajor Governmental Funds	-	7,280,000
Nonmajor Proprietary Funds	1,820,000	2,922,839
Total Interfund Receivable and Payable Balances	\$ 11,858,920	\$ 11,858,920

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(5) Individual Fund Interfund Receivable and Payable Balances

The General, Water, and Wastewater Funds advanced monies to the Civic Center, Solid Waste Disposal, Nonmajor Governmental, and Nonmajor Proprietary Funds to assist in funding capital improvement projects. The balances will be repaid between 2025 through 2041 and bear interest between 3.00 to 5.34 percent.

(6) Capital Assets

A summary of changes in capital assets for year ending December 31 is as follows:

	Balance 12/31/2023	Additions	Transfers	Deletions	Balance 12/31/2024
<i>Governmental Activities:</i>					
Capital Assets, not being Depreciated:					
Land	\$ 50,413,602	\$ 160,372	\$ -	\$ -	\$ 50,573,974
Construction Work in Progress	23,153,780	26,123,778	(20,482,377)	-	28,795,181
Total Capital Assets, not being Depreciated	73,567,382	26,284,150	(20,482,377)	-	79,369,155
Capital Assets, being Depreciated:					
Buildings	107,912,689	1,135,918	2,063,039	-	111,111,646
Improvements Other Than Buildings	438,535,567	28,651,003	8,530,241	-	475,716,811
Machinery and Equipment	41,283,817	4,520,121	(95,517)	(1,534,332)	44,174,089
Intangible Subscription Assets	2,497,463	-	-	-	2,497,463
Total Capital Assets, being Depreciated	590,229,536	34,307,042	10,497,763	(1,534,332)	633,500,009
Less Accumulated Depreciation for:					
Buildings	35,672,464	2,423,677	-	-	38,096,141
Improvements Other Than Buildings	257,514,823	12,983,552	-	-	270,498,375
Machinery and Equipment	29,367,818	2,347,718	-	(1,376,265)	30,339,271
Intangible Subscription Assets	249,746	249,746	-	-	499,492
Total Accumulated Depreciation	322,804,851	18,004,693	-	(1,376,265)	339,433,279
Total Governmental Activities Capital Assets, being Depreciated, Net	267,424,685	16,302,349	10,497,763	(158,067)	294,066,730
Total Governmental Capital Assets, Net	\$ 340,992,067	\$ 42,586,499	\$ (9,984,614)	\$ (158,067)	\$ 373,435,885

Depreciation expense was charged to functions as follows:

Public Works	\$ 11,966,026
Culture and Recreation	3,130,690
General Government	1,173,852
Public Safety	1,499,686
Health and Welfare	219,348
Community Development	15,091
Total Depreciation Expense - Governmental	\$ 18,004,693

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(6) Capital Assets

	12/31/2023	Additions	Transfers	Deletions	12/31/2024
<i>Business-Type Activities:</i>					
Capital Assets, not being Depreciated:					
Land	\$ 19,581,212	\$ -	\$ -	\$ -	\$ 19,581,212
Construction Work in Progress	46,409,315	74,433,987	(20,780,502)	-	100,062,800
Total Capital Assets, not being Depreciated	65,990,527	74,433,987	(20,780,502)	-	119,644,012
Capital Assets, being Depreciated:					
Buildings	327,016,148	744,493	1,546,735	-	329,307,376
Improvements Other Than Buildings	636,644,956	14,185,198	24,574,794	-	675,404,948
Machinery and Equipment	44,987,588	5,480,238	95,517	(334,206)	50,229,137
Total Capital Assets, being Depreciated	1,008,648,692	20,409,929	26,217,046	(334,206)	1,054,941,461
Less Accumulated Depreciation for:					
Buildings	94,229,019	6,292,198	-	-	100,521,217
Improvements Other Than Buildings	228,440,823	16,424,467	-	-	244,865,290
Machinery and Equipment	24,680,826	3,150,073	-	(300,818)	27,530,081
Total Accumulated Depreciation	347,350,668	25,866,738	-	(300,818)	372,916,588
Total Business-Type Activities Capital Assets, being Depreciated, Net	661,298,024	(5,456,809)	26,217,046	(33,388)	682,024,873
Total Business-Type Capital Assets, Net	\$ 727,288,551	\$ 68,977,178	\$ 5,436,544	\$ (33,388)	\$ 801,668,885

Depreciation expense was charged to functions as follows:

Water	\$ 6,615,727
Wastewater	5,275,560
Airport	3,582,533
Civic Center	4,176,995
Solid Waste Disposal	1,790,173
Nonmajor Proprietary	4,425,750
Total Depreciation Expense - Business-Type	\$ 25,866,738

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(6) Capital Assets

As of December 31, 2024, the City had construction commitments of approximately \$228,300,000. Individual project commitments of over \$100,000 were as follows:

Project Number/ Name	Project Description	Total Costs		
		As of 12/31/2024	Total Contract	Remaining
20-2629	WRF Aeration Basin	\$ 40,322,008	\$ 206,193,470	\$ 165,871,462
24-2737	Sheridan Lake Rd Recon	7,017,178	17,612,904	10,595,726
24-2571	SE Area Trunk Sewer Recon	516,354	10,492,450	9,976,096
23-5321	Terminal Project Phase I	21,777,249	31,057,435	9,280,186
23-2753	MIPS Bid Pkgs 2-4	831,565	5,763,055	4,931,490
24-2808	Canyon Lake Area Recon	86,281	3,836,169	3,749,888
22-5320	Terminal Expansion	5,057,455	8,455,555	3,398,100
20-2612	Firestation #1 Improvements	12,895,850	15,874,395	2,978,545
24-2752	Waterloo Street Reconstruction	373,259	3,291,469	2,918,210
24-2755	Elk Vale Lift Station Equipment	96,698	2,818,278	2,721,580
21-2682	Shepherd Hills Water Booster	4,060,464	6,044,566	1,984,102
19-2535	Canyon Lake District	3,043,520	4,655,660	1,612,140
24-2789	Landfill Gas Collection/Control	580,521	2,029,040	1,448,519
22-2694	143RD Ave/Country Rd	8,712,167	9,469,819	757,652
21-2643	Springbrook Acres	1,614,261	2,369,627	755,366
23-6190	Executive Golf - Star West Irrigation	1,631,872	2,323,351	691,479
24-2742	Rapid City Groundwater	334,464	995,969	661,505
24-2731	St Joseph St Value Repair	481,734	921,317	439,583
24-5336	Parking Lot Overflow	126,418	559,742	433,324
24-2800	Journey Museum HVAC	279,788	670,300	390,512
23-2762	UM Service Line & Locate	70,606	425,515	354,909
21-2658	Skyline Dr Rehab Quincy	71,827	412,655	340,828
24-2791	Debra Drive Retaining Wall	36,630	361,988	325,358
20-2609	Wonderland Drive Area	268,490	563,407	294,917
24-2788	Robbinsdale Recon	14,793	294,650	279,857
24-2782	Highway 16 & 16B Utilities	69,620	324,220	254,600
22-2733	EAFB Meter Facility	473,100	694,498	221,398
	Remainder	18,013,809	18,689,551	675,742
		\$ 128,857,981	\$ 357,201,055	\$ 228,343,074

Funding for these projects is provided from dedicated sales tax funds (Capital Improvements and Vision Fund), grants, and charges for services. There are many projects that are included in the Construction in Progress line item, but are not included in the commitments noted above because they have either been substantially completed but not placed into service, or they are only in the design stage with no commitment for further consideration.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(7) Long-Term Financing Arrangements

The following is a summary of the long-term debt transactions, excluding other post employment benefits, for the year ending December 31:

	Balance 12/31/2023*	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Primary Government:					
Governmental Activities:					
Financing Obligations	\$ 3,622,083	\$ -	\$ (163,013)	\$ 3,459,070	\$ 168,304
Revenue Bonds	111,369,587	-	(5,150,077)	106,219,510	5,275,077
Notes Payable	10,131	-	(10,131)	-	-
Tax Increment Districts	12,202,595	19,911,752	(4,578,387)	27,535,960	4,358,555
Subscriptions	2,275,456	-	(230,732)	2,044,724	239,799
Compensated Absences	3,554,613	959,667	-	4,514,280	254,206
Total Governmental Activities	133,034,465	20,871,419	(10,132,340)	143,773,544	10,295,941
Business-Type Activities:					
Financing Obligations	1,070,981	-	(146,056)	924,925	144,729
Closure/Post Closure	4,830,000	270,000	-	5,100,000	-
Revenue Bonds	68,631,355	7,875,659	(3,824,872)	72,682,142	3,776,504
Compensated Absences	1,599,753	175,304	-	1,775,057	40,000
Total Business-Type Activities	76,132,089	8,320,963	(3,970,928)	80,482,124	3,961,233
Total Primary Government	\$ 209,166,554	\$ 29,192,382	\$ (14,103,268)	\$ 224,255,668	\$ 14,257,174

*The beginning balances for compensated absences were restated for the adoption of GASB 101. The amount included in the additions column for the compensated absences liability is a net change.

The City has pledged the amount of the future debt service requirements on the debt issues or 100% of the fee revenues generated by the Water Fund, Wastewater 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	Airport Fund	Civic Center Fund**	Solid Waste Disposal Fund	Sales Tax Revenue Bonds
2024 Principal and Interest	\$ 3,895,781	\$ 864,873	\$ 719,190	\$ 382,041	\$ 198,080	\$ 7,939,334
Pledged Revenue	28,900,572	16,684,062	14,867,834	2,285,641	8,339,000	40,928,669

** Gross receipts taxes are pledged.

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. 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.

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. Future property taxes generated over the tax increment districts 20-year period are projected to produce 100 percent of the debt service requirements, with the exception of TID 52 which will not generate sufficient property tax revenue to meet the outstanding debt balance within the legal timeframe.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(7) Long-Term Financing Arrangements

During the year ended December 31, 2024, TIF related property tax revenues were \$7,815,449. Debt service expenditures related to TIF obligations totaled \$20,928,774 for the year ended December 31, 2024.

Long-term debt at December 31, 2024, is comprised of the following:

Governmental Activities:

Revenue Bonds

Sales Tax Revenue Bonds, Series 2021 serviced by the Capital Improvements and Vision Special Revenue Fund. Payable in annual principal installments of \$1,640,000 to \$5,985,000 through December 2046. Interest payments at a rate of 0.298 to 2.910 percent.	\$ 96,165,000
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Sales Tax Revenue Bonds, Series 2020 serviced by the Capital Improvements and Vision Special Revenue Fund. Payable in annual principal installments of \$1,015,000 to \$1,335,000 through December 2028. Interest payments at a rate of 0.450 to 1.500 percent.	5,210,000
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Sales Tax Revenue Bonds, Series 2018 serviced by the Capital Improvements and Vision Special Revenue Fund. Payable in annual principal installments of \$930,000 to \$1,105,000 through December 2047. Interest payments at a rate of 5.00 percent.	4,370,000
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Unamortized deferred premium	474,510
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Financing Obligations

Obligation dated September 6, 2011 with Pennington County, South Dakota for 44, 61, and 10 percent interest in Public Safety Building, Evidence Lab, and Parking Ramp, respectively. Due in annual installments of \$290,058, including interest of 4.11 percent. The Final payment is due December 2040. The obligation is serviced by the Capital Improvements and Vision Fund.	3,459,070
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Tax Increment Financing District (TID)

TID 52 - East Saint Charles - Created in 2005, maximum payoff of \$1,250,107, including interest at 5.85 percent. The TID expires in May 2025.	254,777
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TID 72 - East Saint Joseph Street - Created in 2012, maximum payoff of \$4,095,341, including interest at 5.90 percent. The TID expires in February 2032.	1,982,565
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TID 76 - Buffalo Crossing - Created in 2016, maximum payoff of \$6,410,528, including interest at 7.00 percent. The TID expires in February 2036.	2,965,332
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TID 77 - Rushmore Gateway Corridor - Created in 2016, maximum payoff of \$6,067,965, including interest at 5.50 percent. The TID expires in April 2034.	4,481,947
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TID 80 - Promise Road - Created in 2017, maximum payoff of \$5,522,040, including interest at 6.00 percent. The TID expires in December 2037.	3,686,062
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TID 81 - Park Hill - Created in 2018, maximum payoff of \$987,384, including interest at 5.50 percent. The TID expires in December 2038.	798,410
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CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(7) Long-Term Financing Arrangements

TID 83 - Homestead Street Extension - Created in 2020, maximum payoff of \$2,719,970, including interest at 7.00 percent. The TID expires in September 2039. 574,850

TID 84 - East Anamosa Street Water Main Extension - Created in 2021, maximum payoff of \$26,003,623, including interest at 7.00 percent. The TID expires in June 2030. 12,792,017

Subscriptions

Subscription-based Information Technology arrangement dated January 1, 2023 with an entity to maintain support for Police Department equipment. Due in annual installments of \$320,157 through December 2026 and \$290,698 through December 2031, including interest at 4.00 percent. Financed by the General Fund. 2,044,724

Business-type Activities:

Revenue Bonds

Water revenue Bonds of 2015. Due in annual installments of \$1,565,000 to \$3,250,000 through November 2039. Interest at a rate of 3.625 to 5.00 percent. (Financed by pledged Water Fund revenues.) 37,605,000

Loan No. 6 from State Revolving Fund (SRF) of 2011. Due in quarterly installments of \$45,660 to \$83,020 through 2031. Interest at 3.00 percent. (Financed by the Wastewater Fund.) 2,129,023

Gross Receipts Revenue Bonds of 2021. Due in annual installments of \$320,000 to \$350,000 through 2028. Interest at a rate of 1.39 percent. (Financed by the Civic Center Fund.) 1,355,000

Wastewater Refunding Bonds of 2021. Due in annual installments of \$335,000 to \$495,000 through 2040. Interest payments at a rate of 2.00 to 3.00 percent. (Financed by Wastewater Fund revenue and monthly surcharge.) 6,850,000

Loan No. 7 from SRF of 2022. Maximum total borrowings up to \$101,500,000. Matures 20 years after initial loan amortization date, due in quarterly installments. Interest payments at a rate of 2.00 percent. (Financed by the Wastewater Fund revenues.) 6,780,484

Loan No. 8 from SRF of 2022. Maximum total borrowings up to \$11,300,000. Matures 20 years after initial loan amortization date, due in quarterly installments. Interest payments at a rate of 2.75 percent. (Financed by the Solid Waste Disposal Fund revenues.) 5,143,446

Airport PFC Revenue Refunding Bonds of 2019. Due in annual installments of \$355,000 to \$690,000 through 2035. Interest payments at a rate of 4.00 to 5.00 percent. (Financed by pledged Airport Passenger Facility Charge revenue.) 6,245,000

Drinking Water Loan SRF 2 of 2009. Due in quarterly installments of \$100,997 through 2031. Interest payments at a rate of 3.00 percent. (Financed by pledged Water Fund revenues.) 2,666,417

Drinking Water Loan SRF 3 of 2017. Due in quarterly installments of \$27,649 through November 2039. Interest payments at a rate of 3.00 percent. Initial loan amount was \$4,626,000 of which \$3,000,000 was forgiven by issuer. (Financed by pledged Water Fund revenues.) 858,748

Net unamortized discounts/premiums on bonds 3,049,024

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(7) Long-Term Financing Arrangements

Financing Obligations

Financing with Black Hills Community Bank, dated August 19, 2022 for equipment at the Solid Waste facility, which is secured by the equipment. Due in monthly installments of \$9,001, including interest at 3.80 percent. The final payment is due August 2032. The obligation is serviced by the Solid Waste Fund.

714,128

Financing with Black Hills Community Bank, dated September 22, 2020 for equipment at the Executive Golf Course, which is secured by the equipment. Due in monthly installments of \$2,671, including interest at 3.95 percent. The final payment is due September 2025. The obligation is serviced by the Executive Golf Course Fund.

23,570

Financing with Black Hills Community Bank, dated March 8, 2023 for equipment at the Golf Course, which is secured by the equipment. Due in monthly installments of \$4,061, including interest at 5.50 percent. The final payment is due April 2029. The obligation is serviced by the Golf Course Fund.

187,227

Total Bonds, Financing Obligations, Notes Payable, and TIF Obligations

212,866,331

Accrued Landfill Closure

5,100,000

Compensated Absences:

General Fund

4,514,280

Water Fund

350,126

Wastewater Fund

275,688

Airport Fund

143,514

Civic Center Fund

406,249

Solid Waste Disposal Fund

139,085

Non-major Enterprise Funds

460,395

Total Compensated Absences

6,289,337

Total Long-Term Debt

\$ 224,255,668

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(7) Long-Term Financing Arrangements

The annual requirements to amortize long-term debt outstanding as of December 31, 2024, except for compensated absences and accrued closure/post-closure are as follows:

Total Governmental Funds

		Revenue Bonds and Notes Payable		Financing Obligations		TID Obligations	
		<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2025	\$	2,594,378	\$ 5,275,077	\$ 110,038	\$ 168,304	\$ 1,615,990	\$ 4,358,555
2026		2,470,060	5,410,077	104,575	173,767	1,334,219	5,088,332
2027		2,334,158	5,441,431	98,935	179,407	929,087	4,096,754
2028		2,216,139	5,091,431	93,111	185,231	723,739	4,644,700
2029		2,147,170	4,136,431	87,099	191,243	364,971	4,496,646
2030-2034		9,656,983	21,772,155	338,251	1,053,459	36,871	3,176,142
2035-2039		7,421,643	24,182,155	155,813	1,235,897	-	1,674,831
2040-2044		4,239,674	27,557,155	6,881	271,762	-	-
2045-2049		631,034	7,353,598	-	-	-	-
Total	\$	33,711,239	\$ 106,219,510	\$ 994,703	\$ 3,459,070	\$ 5,004,877	\$ 27,535,960

		Subscriptions		Total	
		<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2025	\$	80,358	\$ 239,799	\$ 4,400,764	\$ 10,041,735
2026		70,934	249,223	3,979,788	10,921,399
2027		61,139	259,018	3,423,319	9,976,610
2028		50,960	239,738	3,083,949	10,161,100
2029		41,538	249,160	2,640,778	9,073,480
2030-2034		64,307	807,786	10,096,412	26,809,542
2035-2039		-	-	7,577,456	27,092,883
2040-2044		-	-	4,246,555	27,828,917
2045-2049		-	-	631,034	7,353,598
	\$	369,236	\$ 2,044,724	\$ 40,080,055	\$ 139,259,264

Total Business-type Activities

		Revenue Bonds		Financing Obligations		Total	
		<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2025	\$	2,211,836	\$ 3,776,504	\$ 35,988	\$ 144,729	\$ 2,247,824	\$ 3,921,233
2026		2,264,149	4,525,613	30,134	126,617	2,294,283	4,652,230
2027		2,098,896	4,688,675	24,420	132,332	2,123,316	4,821,007
2028		1,926,668	4,867,669	18,499	138,253	1,945,167	5,005,922
2029		1,770,422	4,655,095	12,719	111,536	1,783,141	4,766,631
2030-2034		6,819,867	23,420,523	16,341	271,458	6,836,208	23,691,981
2035-2039		2,617,808	21,991,534	-	-	2,617,808	21,991,534
2040-2044		277,889	3,960,081	-	-	277,889	3,960,081
2045-2049		5,445	796,448	-	-	5,445	796,448
Total	\$	19,992,980	\$ 72,682,142	\$ 138,101	\$ 924,925	\$ 20,131,081	\$ 73,607,067

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(8) Leases

Lessor:

The City's leasing operations consist of leasing land, airline hangars and retail space. A summary of leases by asset class are as follows:

Lease Asset	Lease Receivable December 31, 2024	Lease Revenue	Lease Interest Revenue	Deferred Inflows December 31, 2024
Land	\$ 660,750	\$ 159,631	\$ 14,324	\$ 654,000
Airport Hangars	3,860,713	80,303	102,024	3,632,401
Retail Space	8,596,633	2,225,618	385,338	8,453,400
Total	\$ 13,118,096	\$ 2,465,552	\$ 501,686	\$ 12,739,801

Future payments due to the City under non-cancelable long-term lease agreements are as follows for the year ending December 31:

	Principal	Interest
2025	\$ 2,449,665	\$ 429,347
2026	2,326,697	353,984
2027	2,399,064	260,147
2028	2,426,680	164,672
2029	195,490	108,572
2030-2034	643,503	477,487
2035-2039	737,725	367,344
2040-2044	850,555	245,748
2045-2049	928,603	102,092
2050-2052	160,114	5,513
Total	\$ 13,118,096	\$ 2,514,906

(9) Interfund Transfers

Interfund transfers during the year ended December 31, 2024 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 1,226,029	\$ 2,067,838
Capital Improvements and Vision Fund	1,557,838	300,000
Water Fund	-	93,545
Wastewater Fund	-	116,223
Civic Center Fund	-	105,128
Solid Waste Disposal Fund	2,050,000	66,498
Nonmajor Proprietary Funds	-	2,084,635
Total Transfers	\$ 4,833,867	\$ 4,833,867

Transfers between the funds were made to cover general operational costs of the City.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(10) Pension Plan

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS 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 SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has four classes of members: Class A general members, Class B public safety and judicial members, Class C Cement Plant Retirement Fund members, and Class D Department of Labor and Regulation members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

Legislation enacted in 2017 established the current Cost-of-Living Adjustment (COLA) process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent. All benefits except those depending on the Member's Accumulated Contributions are annually increased by COLA.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(10) Pension Plan

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0 percent of salary; Class B Judicial Members, 9.0 percent of salary; and Class B Public Safety Members, 8.0 percent of salary. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2024, 2023, and 2022 were \$4,668,176, \$4,254,105, and \$3,614,643, respectively, equal to the required contributions each year.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources:

At June 30, 2024, SDRS is 100.00 percent funded and has a net pension asset. The proportionate shares of the components of the net pension asset of SDRS, for the City as of June 30, 2024 are as follows:

	Governmental Activities	Business-Type Activities	Total
Proportionate Share of Net Position Restricted for Pension Benefits	\$ 287,887,703	\$ 111,021,742	\$ 398,909,445
Less: Proportionate Share of Total Pension Liability	(287,809,607)	(110,991,633)	\$ (398,801,240)
Proportionate Share of Net Pension Asset	\$ 78,096	\$ 30,109	\$ 108,205

At December 31, 2024, the City reported an asset of \$108,205 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the City's proportion was 2.673242 percent, which is an increase of 0.152102 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$7,084,935. At December 31, 2024, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 10,020,518	\$ -
Changes in Assumption	1,782,578	13,598,291
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,076,072	-
City Contributions Subsequent to the Measurement Date	2,410,468	-
Total	\$ 18,289,636	\$ 13,598,291

Deferred outflow of resources includes \$2,410,468 resulting from City contributions subsequent to the measurement date that will be recognized as an increase of the net pension asset in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

2025	\$ (3,791,489)
2026	5,215,114
2027	532,063
2028	325,189
	<u>\$ 2,280,877</u>

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(10) Pension Plan

Actuarial Assumptions:

The total pension asset in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Investment Rate of Return	6.50 percent, net of pension plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.71 percent

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020.

Active and Terminated

Vested Members: Teachers, Certified Regents, and Judicial: PubT-2010; Other Class A Members: PubG-2010; Public Safety Members: PubS-2010

Retired Members: Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65; Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above; Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries: PubG-2010 contingent survivor mortality table

Disabled Members: Public Safety: PubS-2010 disabled member mortality table; Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2021.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(10) Pension Plan

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	<u>100.0%</u>	

Discount Rate:

The discount rate used to measure the total pension asset was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of Asset to Changes in the Discount Rate:

The following presents the City's proportionate share of net pension liability/(asset) calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.50 percent) or 1-percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net Pension (Asset)/Liability	\$ 54,987,568	\$ (108,205)	\$ (45,193,722)

Pension Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

(11) Other Post Employment Benefits (OPEB) Plan

Plan Description and Administration:

The City of Rapid City Healthcare Benefit Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The plan does not issue separately stated standalone financial statements.

Benefits Provided:

The Plan provides medical insurance benefits to eligible retirees and their spouses as permitted by South Dakota Codified Laws 6-1-16 and 9-14-35.

Class A Members: Employees who retire on or after age 55 with 5 years of service are eligible to continue coverage in the City's plan. For employees who retired under the Rule-of-85 provisions of the South Dakota Retirement System and who have 20 years of service with the City at retirement, the City will pay 100% of subscriber premium until the retiree reaches Medicare eligibility age. For employees who have less than 20 years of service with the City at retirement or did not retire under the Rule-of-85 provisions, the retiree must pay 100% of the subscriber premium until the retiree reaches Medicare eligibility age at which point the retiree is no longer eligible to participate in the plan. Spouses of eligible retirees are eligible to elect coverage. Retirees pay 100% of the premium for spousal coverage. Upon death of the retiree, surviving spouses of eligible retirees may continue coverage by paying 100% of the premium.

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(11) Other Post Employment Benefits (OPEB) Plan

Class B Public Safety: Employees who retire on or after age 45 with 5 years of service are eligible to continue coverage in the City's plan. For employees who retired under the Rule-of-75 provisions of the South Dakota Retirement System and who have 20 years of service with the City at retirement, the City will pay 100% of subscriber premium until the retiree reaches Medicare eligibility age. For employees who have less than 20 years of service with the City at retirement or did not retire under the Rule-of-75 provisions, the retiree must pay 100% of the subscriber premium until the retiree reaches Medicare eligibility age at which point the retiree is no longer eligible to participate in the plan. Spouses of eligible retirees are eligible to elect coverage. Retirees pay 100% of the premium for spousal coverage. Upon death of the retiree, surviving spouses of eligible retirees may continue coverage by paying 100% of the premium.

Plan Membership:

The health plan is a self-insured PPO providing benefits to eligible participants. Currently, there are 824 active participants and 128 retirees who are participating in the plan.

Total OPEB Liability:

Balance at December 31, 2023	\$ 24,025,115
Charges for the Year:	
Service Cost	997,353
Interest on the total OPEB liability	852,000
Effect of economic/demographic gains or losses	6,133,854
Effect of assumption changes or inputs	1,725,359
Benefit Payments	(1,741,894)
Net Change in Total OPEB Liability	7,966,672
Balance at December 31, 2024	\$ 31,991,787

The City's total OPEB liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. Changes in total OPEB liability are as follows:

Actuarial Methods and Assumptions:

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following assumptions applied to all periods included in the measurement, unless otherwise specified.

Salary increases	7.66 percent for initial year of service decreasing to 3.15 percent for years of service over 25.
Healthcare cost trend rates	7.10% 2024. Then decreasing per year to an ultimate rate of 3.90 percent for 2074.
Retirees' share of Benefit-related costs	40% of projected health insurance premiums for retirees
Discount Rate	3.26 percent, 20-year tax exempt municipal bond rate as of December 31, 2023 based Bond Buyer General Obligation 20-Year Bond Municipal Index.

Mortality:

For Actives and Terminated Vested: PubG-2010 amount-weighted base mortality tables projected generationally with MP-2020 for General Employees(Class A), PubS-2010 amount-weighted base mortality projected with MP-2020 for Public Safety(Class B). For Retirees, add 0.93 factor to General Employees and 1.02 factor to Public Safety Employees.

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(11) Other Post Employment Benefits (OPEB) Plan

Sensitivity Analysis:

The following represents the City's total OPEB liability, calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 33,533,353	\$ 31,991,787	\$ 28,228,660

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

The following represents the City's total OPEB liability, calculated using the current healthcare cost trend rates as well as the City's total OPEB liability using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 27,787,534	\$ 31,991,787	\$ 34,183,767

For the year ended December 31, 2024, the City recognized total OPEB expense of \$1,416,774. At December 31, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 6,887,132	\$ -
Changes in Assumptions	2,857,173	2,329,438
City Contributions Subsequent to the Measurement Date	1,374,475	-
Total	\$ 11,118,780	\$ 2,329,438

The City's contributions subsequent to the measurement date of \$1,374,475 will be recognized as OPEB expense for the year ending December 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the year ending December 31:

2025	\$ 1,744,318
2026	1,694,938
2027	1,362,768
2028	769,361
2029	1,075,285
Thereafter	768,197
	\$ 7,414,867

CITY OF RAPID CITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

(12) Deficit Fund Balances/Net Position of Nonmajor Funds

As of December 31, 2024, the following individual nonmajor governmental funds had deficit fund balance in the amounts shown: Occupancy Tax (\$84,552), TID 91 Fund (\$1,693,625), TID 89 Fund (\$51,007), TID 84 Fund (\$50,167), TID 83 Fund (\$15,866), TID 76 Fund (15,889) and TID 52 Fund (\$20,615), which will be funded through gross business receipts and property tax, and interfund charges received for the respective funds.

(13) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carried commercial insurance for insurable risks of loss except for employee health insurance, liability insurance, worker's compensation and unemployment benefits. The City has established self-insurance internal service funds to pay for medical, worker's compensation and unemployment compensation 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, \$900,000 for workers' compensation, and any administrative costs relative to the processing of the claims. Maximum payment for liability claim is \$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 a reserve equity in the workers compensation fund of \$620,297, reserve equity in the medical insurance fund of \$3,058,396, reserve equity in the unemployment insurance fund of \$10,511, and in the liability insurance fund of \$83,081 for the payment of such future claims.

Changes in the aggregate liabilities of the self-insurance funds during 2023 and 2024 were as follows:

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Workers Compensation Fund
Benefit Claims Payable - January 1, 2023	\$ 1,096,669	\$ 354,996	\$ -	\$ 3,471,907
Claims Incurred	10,718,453	229,290	13,665	1,584,579
Claims Paid	(11,106,125)	(249,049)	(13,665)	(1,212,362)
Benefit Claims Payable - December 31, 2023	708,997	335,237	-	3,844,124
Claims Incurred	13,206,932	550,945	36,263	792,776
Claims Paid	(13,113,407)	(328,975)	(32,073)	(1,379,689)
Benefit Claims Payable - December 31, 2024	\$ 802,522	\$ 557,207	\$ 4,190	\$ 3,257,211

(14) Contingent Liabilities

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

CITY OF RAPID CITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(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 post closure 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 post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,100,000 reported as landfill closure and post closure care liability at December 31, 2024 represents the cumulative amount reported to date based on 68.8% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post closure care of \$2.31 million as the remaining estimated capacity is filled.

These costs are based on a 3.20% yearly inflation index. The City expects to close the landfill in the year 2038. The City does not record a remediation liability as management feels insurance coverage is adequate.

However, the recycling plant, in addition to the department's yard waste and proposed composting facility, are expected to extend the life. 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 post closure care. The City meets these compliance requirements and at December 31, 2024, cash and cash equivalents of \$5,100,000 (Note 2) are held for these purposes. 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 post closure 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.

(16) Tax Abatements

The City enters into property tax abatement agreements with local businesses under SDCL 11-9. Under these agreements, the City may grant property tax abatements of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. Abatements may be granted to any business located within or promising to relocate to the City.

For the year ended December 31, 2024, the City abated property taxes under this program, for the following tax abatement agreements:

TID 72 - Saint Joseph Street Student Housing - A 44.3% property tax abatement to a local developer for the purchase of land, demolition/cleanup and reconstruction costs associated with the development of a student apartment complex. The abatement amounted to \$119,860.

(17) Prior Period Adjustment

During 2024, it was determined that certain balances and transactions were omitted in previous years. In the Government-Wide Statements and Fund Statements, assets were understated due to the omission of cash and revenue retained by the Civic Center Fund to use for operational purposes. The omitted activity resulted in a \$1,736,638 understatement of beginning net position on the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds and the Government-wide Statement of Activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAPID CITY

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS (UNAUDITED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)	VARIANCE
Revenues				
310 Taxes				
311 General Property Taxes	\$ 23,656,414	\$ 23,656,414	\$ 24,686,071	\$ 1,029,657
313 General Sales and Use Taxes	41,237,136	41,237,136	41,313,860	76,724
314 Gross Receipts Business Taxes	150,581	150,581	667,029	516,448
320 Licenses and Permits	3,556,676	3,556,676	3,623,603	66,927
330 <i>Intergovernmental Revenue</i>				
331 Federal Grants	4,733,654	16,558,201	10,073,306	(6,484,895)
334 State Grants	-	-	1,046,597	1,046,597
335 <i>State Shared Revenue</i>				
335.01 Bank Franchise Tax	230,196	230,196	332,976	102,780
335.03 Liquor Tax Reversion	475,001	475,001	504,663	29,662
335.04 Motor Vehicle Licenses (5%)	799,597	799,597	71,389	(728,208)
335.06 Fire Insurance Reversion	295,635	295,635	470,240	174,605
335.08 Local Government Highway and Bridge Fund	521,470	521,470	825,221	303,751
338 <i>County Shared Revenue</i>		-		
338.01 County Road Tax (25%)	671,310	671,310	641,675	(29,635)
340 <i>Charges for Goods and Services</i>		-		
341 General Government	257,500	257,500	1,098,812	841,312
342 Public Safety	971,060	971,060	2,065,987	1,094,927
343 Public Works	265,000	265,000	417,138	152,138
345 Health & Welfare	300,000	300,000	289,979	(10,021)
346 Culture and Recreation	2,095,000	2,095,000	1,975,916	(119,084)
348 Cemetery	145,446	145,446	305,812	160,366
349 Conservation & Development	85,000	85,000	-	(85,000)
350 <i>Fines and Forfeits</i>				
351 Court Fines and Costs	4,577	4,577	2,558	(2,019)
354 County Library	461,193	461,193	461,192	(1)
360 <i>Miscellaneous Revenue</i>				
361 Interest Earnings	7,060,000	7,060,000	7,175,800	115,800
362 Rentals	85,000	85,000	251,311	166,311
363 Special Assessments	189,859	189,859	122,773	(67,086)
367 Contributions and Donations	12,178	12,178	-	(12,178)
369 Other	540,000	540,000	125,124	(414,876)
Total Revenue	88,799,483	100,624,030	98,549,032	(2,074,998)
Expenditures				
410 <i>General Government</i>				
412 Executive-Mayor & Council	1,455,088	2,473,249	1,536,849	936,400
414 Financial - Human Resources	1,070,796	1,084,349	839,730	244,619
414 Financial - Information Technology	1,344,734	1,359,286	1,169,289	189,997
414 Financial - Finance	755,159	941,469	491,520	449,949
414 Financial - Attorney	484,828	498,294	485,084	13,210
419 Other - Government Bldgs	1,366,376	1,398,825	1,494,929	(96,104)
420 <i>Public Safety</i>				
421 Police	25,725,070	26,489,340	24,676,077	1,813,263
422 Fire	18,695,434	20,592,553	19,442,722	1,149,831
423 Protective Inspection	2,764,794	690,625	420,446	270,179
429 Other Protection-Emergency Mgt	2,089,993	2,264,993	2,402,952	(137,959)
429 Other Protection-Code Enforcement	389,597	401,175	382,786	18,389

CITY OF RAPID CITY

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS (UNAUDITED)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

430	<i>Public Works</i>				
431	Highways and Streets	8,420,567	8,680,772	8,875,992	(195,220)
431.1	Administration	2,006,735	2,613,991	1,904,937	709,054
440	<i>Health and Welfare</i>				
441	Health	1,317,846	1,317,846	1,317,846	-
444	Humane Society	402,988	402,988	402,988	-
449	Other - Public Transit	3,351,935	3,380,686	3,171,481	209,205
449	Other - Air Quality	90,923	94,420	89,042	5,378
450	<i>Culture and Recreation</i>				
451	Recreation	470,073	513,179	510,724	2,455
451	Swimming Pools	2,712,887	3,079,966	3,411,202	(331,236)
451	Ice Arena	908,563	991,185	567,094	424,091
452	Parks	4,567,518	4,817,526	4,466,051	351,475
455	Libraries	4,205,370	4,491,673	3,885,983	605,690
457	Historic Preservation	21,189	23,239	22,598	641
459	Other - Parks & Recreation Admin	1,048,267	1,057,830	724,507	333,323
459	Other - Cemetery	496,827	520,527	471,985	48,542
459	Other - Subsidies	1,265,875	1,278,836	991,250	287,586
459	Other - Urban Forestry	-	-	183,186	(183,186)
460	<i>Conservation and Development</i>				
465	Economic Development	350,000	2,650,074	2,383,581	266,493
465	Community Development - Non Grant	112,801	115,111	95,302	19,809
465	Transportation Planning	1,065,995	1,697,988	867,021	830,967
465	GIS Information System	344,986	349,412	322,498	26,914
470	Debt Service	10,500	10,500	10,214	286
485	Capital Outlay	5,334,500	16,881,168	9,883,298	6,997,870
490	<i>Miscellaneous</i>				
492	Other Expenditures	137,178	137,617	29,783	107,834
Total Expenditures		94,785,392	113,300,692	97,930,947	13,631,674
Excess of Revenue Over (Under)					
Expenditures		(5,985,909)	(12,676,662)	618,085	13,294,747
Other Financing Sources (Uses)					
391.01	Transfers In (Out)	416,029	398,191	(841,809)	(1,240,000)
391	Proceeds from Sale of Capital Assets	-	-	334,357	334,357
Total Other Financing Sources (Uses)		416,029	398,191	(507,452)	(905,643)
Net Change in Fund Balances		(5,569,880)	(12,278,471)	110,633	12,389,104
Fund Balance - Beginning		39,384,028	39,384,028	39,384,028	-
FUND BALANCE- ENDING		\$33,814,148	\$27,105,557	\$39,494,661	\$12,389,104

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

CITY OF RAPID CITY

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS (UNAUDITED)
CAPITAL IMPROVEMENTS & VISION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (Budgetary Basis)	VARIANCE
Revenues				
310 <i>Taxes</i>				
313 General Sales and Use Taxes	\$ 35,429,934	80,023,250	\$ 40,928,669	\$ (39,094,581)
330 <i>Intergovernmental Revenue</i>				
331 Federal Grants	-	20,026,094	-	(20,026,094)
334 State Grants	2,405,532	2,405,532	3,778,713	1,373,181
340 <i>Charges for Goods and Services</i>				
341 General Government	-	-	15,705	15,705
343 Public Works	-	-	17,750	17,750
360 <i>Miscellaneous Revenue</i>				
361 Interest Earnings (Loss)	-	-	1,400,245	1,400,245
369 Other	60,000	60,000	6,137	(53,863)
Total Revenue	37,895,466	102,514,876	46,147,219	(56,367,657)
Expenditures				
410 <i>General Government</i>				
414 Financial - Information Technology	135,000	235,503	121,715	113,788
419 Other - Government Buildings	6,000	10,170	-	10,170
430 <i>Public Works</i>				
431 Highways and Streets	103,000	103,749	864,646	(760,897)
43x Administration	2,500,000	2,500,000	2,462,088	37,912
450 <i>Culture and Recreation</i>				
451 Recreation	-	-	5,731	(5,731)
460 <i>Conservation & Development</i>				
465 Economic Development	2,000,000	3,555,012	2,139,446	1,415,566
470 Debt Service	7,940,000	7,940,000	7,939,334	666
485 Capital Outlay	25,196,466	88,845,033	38,791,821	50,053,212
490 <i>Miscellaneous</i>				
492 Other Expenditures	15,000	15,000	-	15,000
Total Expenditures	37,895,466	103,204,467	52,324,781	50,879,686
Excess of Revenue Over (Under)				
Expenditures	-	(689,591)	(6,177,562)	(5,487,971)
Other Financing Sources (Uses)				
391.01 Transfers In (Out)	-	257,838	1,257,838	1,000,000
Total Other Financing Sources (Uses)	-	257,838	1,257,838	1,000,000
Net Change in Fund Balances	-	(431,753)	(4,919,724)	(4,487,971)
Fund Balance - Beginning	71,845,747	71,845,747	71,845,747	-
FUND BALANCE- ENDING	\$ 71,845,747	\$ 71,413,994	\$ 66,926,023	\$ (4,487,971)

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

CITY OF RAPID CITY

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) (UNAUDITED)
DECEMBER 31, 2024**

	2024	2023	2022	2021	2020
City's Proportion of the Net Pension Asset (Liability)	2.6732420%	2.5211400%	2.4176000%	2.2981520%	2.33836750%
City's Proportionate Share of Net Pension Asset (Liability)	\$ 108,205	\$ 246,044	\$ 228,480	\$ 17,635,732	\$ 101,555
City's Covered Payroll (Plan's Fiscal Year)	\$ 72,412,727	\$ 63,482,062	\$ 56,442,263	\$ 49,356,048	\$ 49,416,543
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	0.15%	0.39%	0.40%	35.73%	0.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	100.00%	100.10%	100.10%	105.52%	100.04%
	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Asset (Liability)	2.39737200%	2.38893850%	2.35078350%	2.41148565%	2.39749350%
City's Proportionate Share of Net Pension Asset (Liability)	\$ 254,061	\$ 55,716	\$ 383,176	\$ (8,157,148)	\$ 10,168,455
City's Covered Payroll (Plan's Fiscal Year)	\$ 49,656,578	\$ 49,193,976	\$ 42,836,501	\$ 40,621,932	\$ 38,764,455
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	0.51%	0.11%	0.89%	-20.08%	26.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	100.09%	100.02%	100.10%	96.89%	104.10%

CITY OF RAPID CITY

SCHEDULE OF THE CITY'S CONTRIBUTIONS (UNAUDITED)
DECEMBER 31, 2024

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 4,668,176	\$ 4,254,105	\$ 3,614,643	\$ 3,282,850	\$ 3,125,208
Contributions in Relation to the Contractually Required Contribution	4,668,176	4,254,105	3,614,643	3,282,850	3,125,208
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 75,053,913	\$ 68,794,456	\$ 59,495,532	\$ 53,362,369	\$ 48,114,793
Contributions as a Percentage of Covered Payroll	6.2%	6.2%	6.1%	6.2%	6.5%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 3,076,469	\$ 3,023,407	\$ 2,901,980	\$ 2,823,742	\$ 2,758,308
Contributions in Relation to the Contractually Required Contribution	3,076,469	3,023,407	2,901,980	2,823,742	2,758,308
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 49,841,773	\$ 49,193,976	\$ 47,363,396	\$ 43,669,915	\$ 40,981,064
Contributions as a Percentage of Covered Payroll	6.2%	6.1%	6.1%	6.5%	6.7%

CITY OF RAPID CITY

**SCHEDULE OF THE CITY OPEB LIABILITY (UNAUDITED)
DECEMBER 31, 2024**

	2024	2023	2022	2021
OPEB Liability	\$ 31,991,787	\$ 24,025,115	\$ 27,093,198	\$ 23,260,633
City's Covered Payroll	67,207,160	61,069,676	59,495,532	53,352,369
OPEB Liability as a Percentage of Covered Payroll	47.60%	39.34%	45.54%	43.60%
Employer Contribution	1,772,146	1,095,456	1,019,150	2,027,860
Service Cost	\$ 997,353	\$ 1,320,793	\$ 1,111,457	\$ 967,723
Interest on the total OPEB liability	852,000	542,759	474,434	577,077
Effect of economic/demographic gains or losses	6,133,854	-	2,299,600	-
Effect of assumptions changes or inputs	1,725,359	(3,302,991)	1,428,538	1,133,800
Benefit Payments	(1,741,894)	(1,628,644)	(1,481,464)	(1,525,138)
Change in Net OPEB Obligation	7,966,672	(3,068,083)	3,832,565	1,153,462
OPEB Liability - Beginning of Year	24,025,115	27,093,198	23,260,633	22,107,171
OPEB Liability - End of Year	\$ 31,991,787	\$ 24,025,115	\$ 27,093,198	\$ 23,260,633

	2020	2019	2018
OPEB Liability	\$ 22,107,171	\$ 19,267,399	\$ 20,046,080
City's Covered Payroll	48,114,793	49,841,773	49,193,976
OPEB Liability as a Percentage of Covered Payroll	45.95%	38.66%	40.75%
Employer Contribution	1,668,658	2,139,996	1,256,271
Service Cost	\$ 783,471	\$ 853,858	\$ 770,934
Interest on the total OPEB liability	741,097	653,494	694,458
Effect of economic/demographic gains or losses	1,960,976	-	(368,412)
Effect of assumptions changes or inputs	806,896	(981,535)	503,814
Benefit Payments	(1,452,668)	(1,304,498)	(598,410)
Change in Net OPEB Obligation	2,839,772	(778,681)	1,002,384
OPEB Liability - Beginning of Year	19,267,399	20,046,080	19,043,696
OPEB Liability - End of Year	\$ 22,107,171	\$ 19,267,399	\$ 20,046,080

CITY OF RAPID CITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2024

(1) Budgets and Budgetary Accounting

The City 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 operating budget is legally binding and actual disbursements for each purpose cannot exceed the amounts budgeted, except as indicated in item number 4.
3. A line item for contingencies may be included in the annual budget. Such line item may not exceed 5 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 unless encumbered by resolution of the governing board.
6. Formal budgetary integration is employed as a management control device during the year for the general fund and major 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.

(2) Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions

Changes from Prior Valuation: The June 30, 2024, Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023, Actuarial Valuation.

The details of the changes since the last valuation are as follows:

Benefit Provision Changes: During the 2024 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes: No changes in actuarial methods were made since the prior valuation.

Actuarial Assumption Changes: The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

As of June 30, 2023, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2024 SDRS COLA was limited to a restricted maximum of 1.91%. For the June 30, 2023, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.91%.

CITY OF RAPID CITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

(2) Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Pension Contributions

As of June 30, 2024, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71%. The July 2025 SDRS COLA will equal inflation, between 0% and 1.71%. For this June 30, 2024, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.71%.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027, Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.

OTHER SUPPLEMENTARY INFORMATION

CITY OF RAPID CITY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

		Occupancy Tax Fund	Downtown BID Tax Fund	Erosion/ Sediment Control Fund	TID 91 Fund	TID 90 Fund
ASSETS						
101	Cash and Cash Equivalents	\$ 101,795	\$ 226,049	\$ 149,994	\$ 5,580,000	\$ -
102	Restricted Cash	-	-	-	-	-
151	Investments	-	-	-	-	-
110	Property Tax Receivable	-	-	-	-	26,325
115	Accounts Receivable, Net	1,754	-	-	-	-
121	Special Assessments Receivable--Current	-	91,515	-	-	-
132	Due from Other Government	-	-	-	-	-
135	Interest Receivable	-	6,121	-	6,375	-
TOTAL ASSETS		\$ 103,549	\$ 323,685	\$ 149,994	\$ 5,586,375	\$ 26,325
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<i>Liabilities</i>					
201	Claims Payable	\$ 188,101	\$ 223,813	\$ 38	\$ -	\$ -
209	Advance from Other Funds	-	-	-	7,280,000	-
216	Wages Payable	-	-	-	-	-
Total Liabilities		188,101	223,813	38	7,280,000	-
	<i>Deferred Inflows of Resources</i>					
245	Unavailable Revenue -- Property Taxes	-	-	-	-	26,325
246	Unavailable Revenue -- Special Assessments	-	88,715	-	-	-
Total Deferred Inflows of Resources:		-	88,715	-	-	26,325
	<i>Fund Balances</i>					
263	<i>Nonspendable</i>					
263.51	Perpetual Care Cemetery	-	-	-	-	-
264	<i>Restricted for</i>					
264.01	Debt Service	-	-	-	-	-
264.03	Cemetery Perpetual Care	-	-	-	-	-
264.05	Library	-	-	-	-	-
264.09	Business Improvement District	-	11,157	-	-	-
264.97	Grant Expenditures	-	-	-	-	-
265	<i>Committed to</i>					
265.99	Erosion/Sediment Control	-	-	149,956	-	-
267	Unassigned	(84,552)	-	-	(1,693,625)	-
Total Fund Balances		(84,552)	11,157	149,956	(1,693,625)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		\$ 103,549	\$ 323,685	\$ 149,994	\$ 5,586,375	\$ 26,325

TID 89 Fund	TID 87 Fund	TID 86 Fund	TID 85 Fund	TID 84 Fund	TID 83 Fund	TID 81 Fund	TID 80 Fund	TID 79 Fund	TID 78 Fund
\$ 16,619	\$ 205,047	\$ 29,034	\$ -	\$ -	\$ 1,218	\$ -	\$ 295	\$ 201	\$ 1,086
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
165,099	133,919	73,126	41,276	2,577,970	470,813	38,753	817,458	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	229	-	-	-	-	-
<u>\$ 181,718</u>	<u>\$ 338,966</u>	<u>\$ 102,160</u>	<u>\$ 41,276</u>	<u>\$ 2,578,199</u>	<u>\$ 472,031</u>	<u>\$ 38,753</u>	<u>\$ 817,753</u>	<u>\$ 201</u>	<u>\$ 1,086</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
232,725	134,888	73,126	41,276	2,628,366	487,897	38,753	817,458	-	-
-	-	-	-	-	-	-	-	-	-
<u>232,725</u>	<u>134,888</u>	<u>73,126</u>	<u>41,276</u>	<u>2,628,366</u>	<u>487,897</u>	<u>38,753</u>	<u>817,458</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	204,078	29,034	-	-	-	-	295	201	1,086
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(51,007)	-	-	-	(50,167)	(15,866)	-	-	-	-
<u>(51,007)</u>	<u>204,078</u>	<u>29,034</u>	<u>-</u>	<u>(50,167)</u>	<u>(15,866)</u>	<u>-</u>	<u>295</u>	<u>201</u>	<u>1,086</u>
<u>\$ 181,718</u>	<u>\$ 338,966</u>	<u>\$ 102,160</u>	<u>\$ 41,276</u>	<u>\$ 2,578,199</u>	<u>\$ 472,031</u>	<u>\$ 38,753</u>	<u>\$ 817,753</u>	<u>\$ 201</u>	<u>\$ 1,086</u>

CITY OF RAPID CITY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

		TID 77 Fund	TID 76 Fund	TID 74 Fund	TID 72 Fund	TID 70 Fund	TID 54 Fund
ASSETS							
101	Cash and Cash Equivalents	\$ 369,814	\$ 247	\$ 639	\$ 11	\$ 6,462	\$ 269
102	Restricted Cash	-	-	-	-	-	-
151	Investments	-	-	-	-	-	-
110	Property Tax Receivable	442,819	515,393	-	65,060	-	-
115	Accounts Receivable, Net	-	-	-	-	-	-
121	Special Assessments Receivable--Current	-	-	-	-	-	-
132	Due from Other Government	-	-	-	-	-	-
135	Interest Receivable	-	-	-	-	-	-
TOTAL ASSETS		812,633	515,640	\$ 639	\$ 65,071	\$ 6,462	\$ 269
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
<i>Liabilities</i>							
201	Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
209	Advance from Other Funds	-	-	-	-	-	-
216	Wages Payable	-	-	-	-	-	-
Total Liabilities		-	-	-	-	-	-
<i>Deferred Inflows of Resources</i>							
245	Unavailable Revenue -- Property Taxes	442,819	531,529	-	-	-	-
246	Unavailable Revenue -- Special Assessments	-	-	-	-	-	-
Total Deferred Inflows of Resources:		442,819	531,529	-	-	-	-
<i>Fund Balances</i>							
263	<i>Nonspendable</i>						
263.51	Perpetual Care Cemetery	-	-	-	-	-	-
264	<i>Restricted for</i>						
264.01	Debt Service	369,814	-	639	65,071	6,462	269
264.03	Cemetery Perpetual Care	-	-	-	-	-	-
264.05	Library	-	-	-	-	-	-
264.09	Business Improvement District	-	-	-	-	-	-
264.97	Grant Expenditures	-	-	-	-	-	-
265	<i>Committed to</i>	-	-	-	-	-	-
265.99	Erosion/Sediment Control	-	-	-	-	-	-
267	Unassigned	-	(15,889)	-	-	-	-
Total Fund Balances		369,814	(15,889)	639	65,071	6,462	269
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		\$ 812,633	\$ 515,640	\$ 639	\$ 65,071	\$ 6,462	\$ 269

TID 50 Fund	TID 52 Fund	TID 40 Fund	TID 39 Fund	Community Development Fund	Cemetery Perpetual Care Fund	Retired Senior Volunteer Fund	Library Board Fund	Nonmajor Governmental Funds
\$ 5,531	\$ 415	\$ 42	\$ 13,322	\$ -	\$ 147,771	\$ 19,286	\$ 875	\$ 6,876,022
-	-	-	-	2,540	-	-	281,610	284,150
-	-	-	-	-	50,405	-	-	50,405
-	52,247	-	-	-	-	-	-	5,420,258
-	-	-	-	-	1,160	-	1,723	4,637
-	-	-	-	-	-	-	-	91,515
-	-	-	-	8,268	-	15,000	-	23,268
-	-	-	-	-	30	-	79	12,834
<u>\$ 5,531</u>	<u>\$ 52,662</u>	<u>\$ 42</u>	<u>\$ 13,322</u>	<u>\$ 10,808</u>	<u>\$ 199,366</u>	<u>\$ 34,286</u>	<u>\$ 284,287</u>	<u>\$ 12,763,089</u>
\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 829	\$ 1,977	414,759
-	-	-	-	-	-	-	-	7,280,000
-	-	-	-	3,936	-	4,923	-	8,859
-	-	-	-	3,937	-	5,752	1,977	7,703,618
-	73,277	-	-	-	-	-	-	5,528,439
-	-	-	-	-	-	-	-	88,715
-	73,277	-	-	-	-	-	-	5,617,154
-	-	-	-	-	50,000	-	-	50,000
5,531	-	42	13,322	-	-	-	-	695,844
-	-	-	-	-	149,366	-	-	149,366
-	-	-	-	-	-	-	282,310	282,310
-	-	-	-	-	-	-	-	11,157
-	-	-	-	6,871	-	28,534	-	35,405
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	149,956
-	(20,615)	-	-	-	-	-	-	(1,931,721)
<u>5,531</u>	<u>(20,615)</u>	<u>42</u>	<u>13,322</u>	<u>6,871</u>	<u>199,366</u>	<u>28,534</u>	<u>282,310</u>	<u>(557,683)</u>
<u>\$ 5,531</u>	<u>\$ 52,662</u>	<u>\$ 42</u>	<u>\$ 13,322</u>	<u>\$ 10,808</u>	<u>\$ 199,366</u>	<u>\$ 34,286</u>	<u>\$ 284,287</u>	<u>\$ 12,763,089</u>

CITY OF RAPID CITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Occupancy Tax Fund	Downtown BID Fund	Erosion/ Sediment Control Fund	TID 91 Fund	TID 89 Fund	TID 87 Fund
Revenues						
310 <i>Taxes</i>						
311 General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,858
314 Gross Business Receipts Tax	1,618,612	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	21,900	-	-	-
354 Library	-	-	-	-	-	-
361 Investment Earnings	74	-	-	6,375	-	220
363 Special Assessments	-	252,363	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-
369 Other	-	-	-	-	-	-
Total Revenue	1,618,686	252,363	21,900	6,375	-	204,078
Expenditures						
450 <i>Culture and Recreation</i>						
455 Libraries	-	-	-	-	-	-
459 Retired Senior Volunteers	-	-	-	-	-	-
459 Cemetery	-	-	-	-	-	-
460 Conservation and Development	-	-	-	-	-	-
465 Community Development	-	-	3,762	-	-	-
470 Debt Service	-	-	-	1,700,000	-	-
485 Capital Outlay	-	-	-	-	-	-
492 Other Expenditures	1,535,565	478,004	-	-	51,007	-
Total Expenditures	1,535,565	478,004	3,762	1,700,000	51,007	-
Excess of Revenue Over (Under)						
Expenditures	83,121	(225,641)	18,138	(1,693,625)	(51,007)	204,078
Other Financing Sources (Uses)						
391.02 Long-term Debt Issued	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	83,121	(225,641)	18,138	(1,693,625)	(51,007)	204,078
Fund Balance (Deficit) - Beginning	(167,673)	236,798	131,818	-	-	-
FUND BALANCE (Deficit) - ENDING	\$ (84,552)	\$ 11,157	\$ 149,956	\$ (1,693,625)	\$ (51,007)	\$ 204,078

TID 86 Fund	TID 84 Fund	TID 83 Fund	TID 82 Fund	TID 81 Fund	TID 80 Fund	TID 79 Fund	TID 78 Fund	TID 77 Fund
\$ 28,161	\$ 1,686,543	\$ 350,974	\$ 446,339	\$ 109	\$ 651,330	\$ -	\$ -	\$ 464,565
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	2,807	1,149	507	109	509	-	1	162
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
28,161	1,689,350	352,123	446,846	218	651,839	-	1	464,727
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	4,553,544	371,548	701,484	222,130	2,920,550	-	-	465,064
-	10,335,310	-	-	533,197	3,415,424	-	-	-
-	1,730,241	-	-	44,089	-	-	-	-
-	16,619,095	371,548	701,484	799,416	6,335,974	-	-	465,064
28,161	(14,929,745)	(19,425)	(254,638)	(799,198)	(5,684,135)	-	1	(337)
-	14,243,764	-	-	798,410	4,869,578	-	-	-
-	14,243,764	-	-	798,410	4,869,578	-	-	-
28,161	(685,981)	(19,425)	(254,638)	(788)	(814,557)	-	1	(337)
873	635,814	3,559	254,638	788	814,852	201	1,085	370,151
\$ 29,034	\$ (50,167)	\$ (15,866)	\$ -	\$ -	\$ 295	\$ 201	\$ 1,086	\$ 369,814

CITY OF RAPID CITY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	TID 76 Fund	TID 74 Fund	TID 72 Fund	TID 70 Fund	TID 65 Fund	TID 64 Fund
Revenues						
310 <i>Taxes</i>						
311 General Property Taxes	\$ 489,542	\$ -	\$ 119,860	\$ -	\$ 1,084,394	\$ 977,120
314 Gross Business Receipts Tax	-	-	-	-	-	-
331 Federal Grants	-	-	-	-	-	-
348 Cemetery	-	-	-	-	-	-
349 Other-Conservation & Development	-	-	-	-	-	-
354 Library	-	-	-	-	-	-
361 Investment Earnings	289	-	1,370	(577)	1,040	1,046
363 Special Assessments	-	-	-	-	-	-
367 Contributions and Donations	-	-	-	-	-	-
369 Other	-	-	-	-	-	-
Total Revenue	489,831	-	121,230	(577)	1,085,434	978,166
Expenditures						
450 <i>Culture and Recreation</i>						
455 Libraries	-	-	-	-	-	-
459 Retired Senior Volunteers	-	-	-	-	-	-
459 Cemetery	-	-	-	-	-	-
460 Conservation and Development:	-	-	-	-	-	-
465 Community Development	-	-	-	-	-	-
470 Debt Service	1,191,272	-	56,170	-	2,503,657	2,387,296
485 Capital Outlay	-	-	-	-	-	-
492 Other Expenditures	-	-	-	-	-	-
Total Expenditures	1,191,272	-	56,170	-	2,503,657	2,387,296
Excess of Revenue Over (Under)						
Expenditures	(701,441)	-	65,060	(577)	(1,418,223)	(1,409,130)
Other Financing Sources (Uses)						
391.02 Long-term Debt Issued	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(701,441)	-	65,060	(577)	(1,418,223)	(1,409,130)
Fund Balance (Deficit) - Beginning	685,552	639	11	7,039	1,418,223	1,409,130
FUND BALANCE (Deficit) - ENDING	\$ (15,889)	\$ 639	\$ 65,071	\$ 6,462	\$ -	\$ -

TID 56 Fund	TID 54 Fund	TID 50 Fund	TID 52 Fund	TID 47 Fund	TID 40 Fund	TID 39 Fund	Community Development Fund	Cemetery Perpetual Care Fund
\$ 970,338	\$ -	\$ -	\$ 30,932	\$ 311,384	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	343,272	-
-	-	-	-	-	-	-	-	17,420
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,941	-	3	-	18	-	8	-	2,172
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	26,406	-
972,279	-	3	30,932	311,402	-	8	369,678	19,592
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	62
-	-	-	-	-	-	-	368,416	-
-	-	-	-	-	-	-	-	-
3,492,685	-	-	51,962	311,412	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,492,685	-	-	51,962	311,412	-	-	368,416	62
(2,520,406)	-	3	(21,030)	(10)	-	8	1,262	19,530
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(2,520,406)	-	3	(21,030)	(10)	-	8	1,262	19,530
2,520,406	269	5,528	415	10	42	13,314	5,609	179,836
\$ -	\$ 269	\$ 5,531	\$ (20,615)	\$ -	\$ 42	\$ 13,322	\$ 6,871	\$ 199,366

CITY OF RAPID CITY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Retired Senior Volunteer Fund	Library Board Fund	Total Nonmajor Governmental Funds
Revenues			
310 <i>Taxes</i>			
311 General Property Taxes	\$ -	\$ -	\$ 7,815,449
314 Gross Business Receipts Tax	-	-	1,618,612
331 Federal Grants	126,403	-	469,675
348 Cemetery	-	-	17,420
349 Other-Conservation & Development	-	-	21,900
354 Library	-	54,428	54,428
361 Investment Earnings	9	4,560	23,792
363 Special Assessments	-	-	252,363
367 Contributions and Donations	42,800	22,172	64,972
369 Other	-	-	26,406
Total Revenue	169,212	81,160	10,365,017
Expenditures			
450 <i>Culture and Recreation</i>			
455 Libraries	-	265,305	265,305
459 Retired Senior Volunteers	154,848	-	154,848
459 Cemetery	-	-	62
460 Conservation and Development:	-	-	368,416
465 Community Development	-	-	3,762
470 Debt Service	-	-	20,928,774
485 Capital Outlay	-	-	14,283,931
492 Other Expenditures	-	-	3,838,906
Total Expenditures	154,848	265,305	39,844,004
Excess of Revenue Over (Under)			
Expenditures	14,364	(184,145)	(29,478,987)
Other Financing Sources (Uses)			
391.02 Long-term Debt Issued	-	-	19,911,752
Total Other Financing Sources (Uses)	-	-	19,911,752
Net Change in Fund Balances	14,364	(184,145)	(9,567,235)
Fund Balance (Deficit) - Beginning	14,170	466,455	9,009,552
FUND BALANCE (Deficit) - ENDING	\$ 28,534	\$ 282,310	\$ (557,683)

CITY OF RAPID CITY

COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 DECEMBER 31, 2024

	Solid Waste Collection Fund	Stormwater Enterprise Fund	Executive Golf Course Fund	Golf Course Enterprise Fund
ASSETS				
<i>Current Assets</i>				
101 Cash and Cash Equivalents	\$ 2,568,514	\$ 3,347,989	\$ 75,028	\$ 26,996
115 Accounts Receivable	274,890	-	-	8,413
116 Estimated Uncollectable Accounts Receivable	(60,000)	-	-	-
117 Unbilled Accounts Receivable	82,951	-	-	-
110 Sales Tax Receivable	9	157	-	-
121 Special Assessments Receivable--Current	-	2,503,750	-	-
122 Special Assessments Receivable--Delinquent	-	18,117	-	-
131 Due from Other Funds	-	1,820,000	-	-
132 Due from Other Governments	-	-	-	-
135 Interest Receivable	-	5,002	-	-
142 Inventory of Stores	-	13,669	8,091	94,290
Total Current Assets	2,866,364	7,708,684	83,119	129,699
<i>Noncurrent Assets</i>				
196 Net Pension Asset	1,744	787	147	501
<i>Capital Assets</i>				
160 Land	138,430	205,652	596,356	1,424,242
162 Buildings	66,796	-	180,240	1,619,221
168 Improvements Other than Bldg	730,359	88,583,947	1,522,133	3,239,164
166 Machinery and Equipment	6,635,256	2,854,462	151,503	1,066,057
169 Construction Work in Progress	-	480,898	1,631,872	-
Less: Accumulated Depreciation	(4,584,904)	(27,537,479)	(1,226,723)	(3,873,198)
Total Noncurrent Assets	2,987,681	64,588,267	2,855,528	3,475,987
<i>Deferred Outflows of Resources</i>				
196 Pension Related Deferred Outflows	294,780	133,086	24,858	84,743
248 OPEB Related Deferred Outflows	209,318	94,429	16,220	55,536
Total Deferred Outflows of Resources	504,098	227,515	41,078	140,279
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,358,143	\$ 72,524,466	\$ 2,979,725	\$ 3,745,965

Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 3,684,613	\$ 19,105	\$ 10,415	\$ 4,446	\$ 9,737,106
287,607	22,615	5,127,868	1,471	5,722,864
(169,000)	-	(3,265,000)	-	(3,494,000)
-	-	-	-	82,951
683	-	-	-	849
-	-	-	-	2,503,750
-	-	-	-	18,117
-	-	-	-	1,820,000
-	44,850	180,418	-	225,268
577	-	-	-	5,579
-	-	-	-	116,050
3,804,480	86,570	2,053,701	5,917	16,738,534
468	448	5,774	-	9,869
2,213,269	-	-	267,567	4,845,516
8,819,034	3,521,086	30,659	916,934	15,153,970
1,013,618	-	-	1,679,938	96,769,159
139,753	74,773	2,412,750	-	13,334,554
-	-	-	-	2,112,770
(2,895,152)	(1,195,642)	(1,673,718)	(2,194,583)	(45,181,399)
9,290,990	2,400,665	775,465	669,856	87,044,439
79,054	75,671	975,906	-	1,668,098
57,471	53,051	416,458	-	902,483
136,525	128,722	1,392,364	-	2,570,581
\$ 13,231,995	\$ 2,615,957	\$ 4,221,530	\$ 675,773	\$ 106,353,554

CITY OF RAPID CITY

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2024

	Solid Waste Collection Fund	Stormwater Enterprise Fund	Executive Golf Course Fund	Golf Course Enterprise Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES				
<i>Current Liabilities</i>				
202 Accounts Payable	\$ 35,923	\$ 16,019	\$ 1,072	\$ 1,506
207 Due to Other Funds	-	-	-	150,000
215 Accrued Interest Payable	-	-	101	846
216 Wages Payable	70,984	31,530	5,828	20,720
226 Long-Term Debt Current Portion	-	-	23,570	39,292
Total Current Liabilities	106,907	47,549	30,571	212,364
<i>Noncurrent Liabilities</i>				
209 Advance from Other Funds	-	-	-	-
2265 OPEB Long-Term Obligation	602,267	271,699	46,670	159,793
231 Capital Lease Payable	-	-	-	147,935
233 Accrued Leave Payable	109,829	50,116	-	50,130
Total Noncurrent Liabilities	712,096	321,815	46,670	357,858
<i>Deferred Inflows of Resources</i>				
248 Pension Related Deferred Inflows	219,168	98,949	18,482	63,006
248 OPEB Related Deferred Inflows	43,853	19,783	3,398	11,635
Total Deferred Inflows of Resources	263,021	118,732	21,880	74,641
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCE	1,082,024	488,096	99,121	644,863
NET POSITION				
253.10 Net Investment in Capital Assets	2,985,937	64,587,480	2,831,811	3,288,259
253.20 Restricted Net Position, Restricted for:				
253.3 SDRS - Pension	77,356	34,924	6,523	22,238
253.90 Unrestricted Net Position (Deficit)	2,212,826	7,413,966	42,270	(209,395)
Total Net Position	5,276,119	72,036,370	2,880,604	3,101,102
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,358,143	\$ 72,524,466	\$ 2,979,725	\$ 3,745,965

Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 24,058	\$ 2,641	\$ 128,108	\$ 518	\$ 209,845
369,837	275,000	475,000	250,000	1,519,837
-	-	-	-	947
21,341	21,263	186,282	-	357,948
-	-	-	-	62,862
415,236	298,904	789,390	250,518	2,151,439
2,922,839	-	-	-	2,922,839
165,359	152,642	1,198,266	-	2,596,696
-	-	-	-	147,935
21,337	36,473	192,510	-	460,395
3,109,535	189,115	1,390,776	-	6,127,865
58,777	56,261	725,584	-	1,240,227
12,040	11,114	87,250	-	189,073
70,817	67,375	812,834	-	1,429,300
3,595,588	555,394	2,993,000	250,518	9,708,604
9,290,522	2,400,217	769,691	669,856	86,823,773
20,745	19,858	256,096	-	437,740
325,140	(359,512)	202,743	(244,601)	9,383,437
9,636,407	2,060,563	1,228,530	425,255	96,644,950
\$ 13,231,995	\$ 2,615,957	\$ 4,221,530	\$ 675,773	\$ 106,353,554

CITY OF RAPID CITY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Solid Waste Collection Fund	Stormwater Enterprise Fund	Executive Golf Course Fund	Golf Course Enterprise Fund
Operating Revenue				
380 Charges for Goods and Services	\$ 4,966,153	\$ 2,594,949	\$ 354,428	\$ 1,216,684
Total Operating Revenue	4,966,153	2,594,949	354,428	1,216,684
Operating Expenses				
410 Personal Services	1,862,368	785,347	187,423	683,771
420 Other Current Expense	1,535,210	257,862	131,848	610,733
426.2 Materials (Cost of Goods Sold)	-	11,455	-	-
457 Depreciation	558,984	3,169,454	50,175	177,899
Total Operating Expenses	3,956,562	4,224,118	369,446	1,472,403
Operating Income (Loss)	1,009,591	(1,629,169)	(15,018)	(255,719)
Nonoperating Revenue (Expense)				
331 Federal Grants	-	-	-	-
361 Investment Earnings (Loss)	2,686	47,967	31	5
470 Interest Expense and Fiscal Charges	-	(8,052)	(3,940)	(19,472)
492 Gain (Loss) on Disposition of Capital Assets	-	-	-	876
369.01 Other Taxes	197	158	-	-
369.01 Sales Tax	302,610	-	3,748	10,917
369.01 Other	134	15,263	332	44,016
Total Nonoperating Revenue (Expense)	305,627	55,336	171	36,342
Income (Loss) Before Transfers	1,315,218	(1,573,833)	(14,847)	(219,377)
511 Transfers In (Out)	(2,050,443)	(29)	-	-
391.7 Capital Contributions	-	3,293,899	1,557,547	-
391.7 Contribution from Developers/Others	-	2,163,105	-	-
Net Contributions and Transfers	(2,050,443)	5,456,975	1,557,547	-
Change in Net Position	(735,225)	3,883,142	1,542,700	(219,377)
Net Position - Beginning, as Previously Stated	6,011,344	68,153,228	1,337,904	3,320,479
Change in Accounting Principle	-	-	-	-
Net Position - Beginning, as Restated	6,011,344	68,153,228	1,337,904	3,320,479
NET POSITION - ENDING	\$ 5,276,119	\$ 72,036,370	\$ 2,880,604	\$ 3,101,102

Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 1,692,901	\$ 642,393	\$ 5,024,949	\$ 35,130	\$ 16,527,587
1,692,901	642,393	5,024,949	35,130	16,527,587
497,064	464,671	4,572,136	-	9,052,780
521,117	188,234	1,892,680	71,449	5,209,133
-	-	-	-	11,455
286,740	66,124	99,860	16,514	4,425,750
1,304,921	719,029	6,564,676	87,963	18,699,118
387,980	(76,636)	(1,539,727)	(52,833)	(2,171,531)
-	-	230,388	-	230,388
35,210	-	(476)	(121)	85,302
(105,535)	-	(1,799)	-	(138,798)
-	-	-	-	876
-	-	-	-	355
34,828	-	33	-	352,136
210	-	-	-	59,955
(35,287)	-	228,146	(121)	590,214
352,693	(76,636)	(1,311,581)	(52,954)	(1,581,317)
(22,794)	(11,271)	(98)	-	(2,084,635)
18,606	-	27,727	-	4,897,779
-	-	-	-	2,163,105
(4,188)	(11,271)	27,629	-	4,976,249
348,505	(87,907)	(1,283,952)	(52,954)	3,394,932
9,287,902	2,148,470	2,549,889	478,209	93,287,425
-	-	(37,407)	-	(37,407)
9,287,902	2,148,470	2,512,482	478,209	93,250,018
\$ 9,636,407	\$ 2,060,563	\$ 1,228,530	\$ 425,255	\$ 96,644,950

CITY OF RAPID CITY

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Solid Waste Collection Fund	Stormwater Enterprise Fund	Executive Golf Course Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Customers	\$ 4,930,851	\$ 2,594,990	\$ 355,082
Payments to Suppliers	(1,632,688)	(312,271)	(129,621)
Payments to Employees	(1,809,913)	(754,619)	(192,620)
Net Cash Provided (Used) by Operating Activities	1,488,250	1,528,100	32,841
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Internal Activity - Payment to/from Other Funds	-	(1,820,000)	-
Transfers In (Out)	(2,050,443)	(29)	-
Net Cash Provided (Used) by Operating Subsidies and Transfers	(2,050,443)	(1,820,029)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(1,344,366)	(592,905)	-
Proceeds from Sale of Capital Assets	-	-	-
Principal Paid on Capital Debt	-	-	(30,229)
Interest Paid on Capital Debt	-	(8,052)	(4,014)
Other Receipts (Payments)	302,941	15,421	4,080
Net Cash Provided (Used) by Capital and Related Financing Activitie	(1,041,425)	(585,536)	(30,163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (Purchase) of Investments	-	-	-
Interest Earnings (Loss)	2,686	43,689	31
Net Cash Provided (Used) by Investing Activities	2,686	43,689	31
Net Increase (Decrease) in Cash and Cash Equivalents	(1,600,932)	(833,776)	2,709
Balances - Beginning	4,169,446	4,181,765	72,319
Balances - Ending	\$ 2,568,514	\$ 3,347,989	\$ 75,028

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ 1,219,952	\$ 1,686,444	\$ 602,099	\$ 5,549,727	\$ 35,130	\$ 16,974,275
(670,068)	(518,508)	(191,940)	(1,880,319)	(72,366)	(5,407,781)
(700,329)	(456,624)	(432,899)	(4,318,694)	-	(8,665,698)
(150,445)	711,312	(22,740)	(649,286)	(37,236)	2,900,796
150,000	(464,482)	25,000	361,553	40,000	(1,707,929)
-	(22,794)	(11,271)	(98)	-	(2,084,635)
150,000	(487,276)	13,729	361,455	40,000	(3,792,564)
(72,833)	(40,080)	-	(28,234)	-	(2,078,418)
1,880	-	-	-	-	1,880
(37,132)	-	-	-	-	(67,361)
(19,640)	-	-	-	-	(31,706)
54,933	35,038	-	230,421	-	642,834
(72,792)	(5,042)	-	202,187	-	(1,532,771)
-	357,529	-	-	-	357,529
22	34,633	-	2,247	(121)	83,187
22	392,162	-	2,247	(121)	440,716
(73,215)	611,156	(9,011)	(83,397)	2,643	(1,983,823)
100,211	3,073,457	28,116	93,812	1,803	11,720,929
\$ 26,996	\$ 3,684,613	\$ 19,105	\$ 10,415	\$ 4,446	\$ 9,737,106

CITY OF RAPID CITY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Solid Waste Collection Fund	Stormwater Enterprise Fund	Executive Golf Course Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,009,591	\$ (1,629,169)	\$ (15,018)
<i>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities</i>			
Depreciation Expense	558,984	3,169,454	50,175
<i>Change in Assets and Liabilities</i>			
Receivables	(35,302)	41	654
Inventories	-	(2,015)	1,217
Accounts and Other Payables	(97,478)	(40,939)	1,010
Accrued Wages Payable	4,850	3,508	844
Accrued Leave Payable	11,594	8,318	(7,091)
Other Post Employment Benefits	118,893	58,700	7,457
Pension Asset	2,600	1,103	204
Pension/OPEB Related Deferred Outflows	(131,409)	(65,173)	(10,942)
Pension/OPEB Related Deferred Inflows	45,927	24,272	4,331
Net Cash Provided (Used) by Operating Activities	\$ 1,488,250	\$ 1,528,100	\$ 32,841
<i>Noncash Investing, Capital and Financing Activities</i>			
(Gain)/ Loss on Disposal of Capital Assets Not Affecting Operating Income	\$ -	\$ -	\$ -
Contribution of Assets (to)/ from Others	-	(5,457,004)	(1,557,547)

Golf Course Enterprise Fund	Parking Lot Enterprise Fund	Energy Plant Enterprise Fund	Ambulance Enterprise Fund	Transportation Terminal Fund	Totals
\$ (255,719)	\$ 387,980	\$ (76,636)	\$ (1,539,727)	\$ (52,833)	\$ (2,171,531)
177,899	286,740	66,124	99,860	16,514	4,425,750
3,268	(6,457)	(40,294)	524,778	-	446,688
(34,271)	-	-	-	-	(35,069)
(25,064)	2,609	(3,706)	12,361	(917)	(152,124)
3,624	6,239	5,358	53,345	-	77,768
(23,924)	5,416	7,745	92,643	-	94,701
25,865	61,396	44,064	223,375	-	539,750
692	438	544	7,995	-	13,576
(37,811)	(58,598)	(43,741)	(248,624)	-	(596,298)
14,996	25,549	17,802	124,708	-	257,585
<u>\$ (150,445)</u>	<u>\$ 711,312</u>	<u>\$ (22,740)</u>	<u>\$ (649,286)</u>	<u>\$ (37,236)</u>	<u>\$ 2,900,796</u>

\$ (876)	\$ -	\$ -	\$ -	\$ -	\$ (876)
-	(18,606)	-	(27,727)	-	(7,060,884)

CITY OF RAPID CITY

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2024**

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Workers Compensation Fund	Totals
ASSETS					
<i>Current Assets</i>					
101 Cash and Cash Equivalents	\$ 3,254,946	\$ 641,868	\$ 14,701	\$ 3,877,602	\$ 7,789,117
115 Accounts Receivable	605,611	-	-	-	605,611
135 Interest Receivable	361	-	-	749	1,110
TOTAL ASSETS	\$ 3,860,918	\$ 641,868	\$ 14,701	\$ 3,878,351	\$ 8,395,838
LIABILITIES					
<i>Current Liabilities</i>					
202 Accounts Payable	\$ 802,522	\$ 557,207	\$ 4,190	\$ 3,257,211	\$ 4,621,130
216 Wages Payable	-	1,580	-	843	2,423
Total Current Liabilities	802,522	558,787	4,190	3,258,054	4,623,553
NET POSITION					
253.90 Unrestricted Net Position	3,058,396	83,081	10,511	620,297	3,772,285
Total Net Position	3,058,396	83,081	10,511	620,297	3,772,285
TOTAL LIABILITIES AND NET POSITION	\$ 3,860,918	\$ 641,868	\$ 14,701	\$ 3,878,351	\$ 8,395,838

CITY OF RAPID CITY

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Workers Compensation Fund	Totals
Operating Revenue					
380 Charges for Goods and Services	\$ 14,261,659	\$ 328,978	\$ 69,624	\$ 965,835	\$ 15,626,096
Operating Expenses					
410 Personal Services	-	17,502	-	211,601	229,103
420 Other Current Expense	13,206,932	550,945	36,263	792,776	14,586,916
Total Operating Expenses	13,206,932	568,447	36,263	1,004,377	14,816,019
Operating Income (Loss)	1,054,727	(239,469)	33,361	(38,542)	810,077
Nonoperating Revenue (Expense)					
361 Investment Earnings (Loss)	22,199	386	-	51,445	74,030
Change in Net Position	1,076,926	(239,083)	33,361	12,903	884,107
Net Position - Beginning	1,981,470	322,164	(22,850)	607,394	2,888,178
NET POSITION - ENDING	\$ 3,058,396	\$ 83,081	\$ 10,511	\$ 620,297	\$ 3,772,285

CITY OF RAPID CITY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Medical Insurance Fund	Liability Insurance Fund	Unemployment Insurance Fund	Workers Compensation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Interfund Services Provided	\$ 14,202,666	\$ 328,978	\$ 69,624	\$ 965,835	\$ 15,567,103
Payments to Employees	-	(16,565)	-	(211,401)	(227,966)
Payments for Claims & Services	(13,113,407)	(328,975)	(32,073)	(1,379,689)	(14,854,144)
Net Cash Provided (Used) by Operating Activities	1,089,259	(16,562)	37,551	(625,255)	484,993
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Internal Activity - Payment from Other Funds	-	-	(30,000)	-	(30,000)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	(30,000)	-	(30,000)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investment Securities	228,558	-	-	984,883	1,213,441
Interest Received	21,838	386	-	50,696	72,920
Net Cash Provided (Used) by Investing Activities	250,396	386	-	1,035,579	1,286,361
Net Increase (Decrease) in Cash and Cash Equivalents	1,339,655	(16,176)	7,551	410,324	1,741,354
Balances - Beginning	1,915,291	658,044	7,150	3,467,278	6,047,763
Balances- Ending	\$ 3,254,946	\$ 641,868	\$ 14,701	\$ 3,877,602	\$ 7,789,117
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,054,727	\$ (239,469)	\$ 33,361	\$ (38,542)	\$ 810,077
Adjustments to Reconcile Operating Income to Change in Assets and Liabilities:					
Accounts Receivable	(58,993)	-	-	-	(58,993)
Accounts Payables	93,525	221,970	4,190	(586,913)	(267,228)
Wages Payable	-	937	-	200	1,137
Net Cash Provided (Used) by Operating Activities	\$ 1,089,259	\$ (16,562)	\$ 37,551	\$ (625,255)	\$ 484,993

SINGLE AUDIT SECTION

CITY OF RAPID CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Identifying Number	Assistance Listing Number	Amount
U.S. Department of Housing and Urban Development:			
<i>Direct Federal Funding:</i>			
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grant/Special Purpose Grants	B-20-MW-46-0002	14.225	\$ 109,765
Community Development Block Grants/Entitlement Grants	B-22-MC-46-0002	14.218	206,849
Community Development Block Grants/Entitlement Grants	B-23-MC-46-0002	14.218	26,658
Total Community Development Block Grant/Entitlement Grants Cluster (Note 3)			343,272
U.S. Department of the Interior:			
<i>Direct Federal Funding:</i>			
Wildland Urban Interface Community Assistance	L22AC00384	15.228	131,707
<i>Pass-Through the SD Department of Tourism</i>			
Historic Preservation Fund Grant-in-Aid	SD-23-10027	15.904	19,974
Total U.S. Department of Interior			151,681
U.S. Department of Justice:			
<i>Pass-Through the SD Department of Public Safety</i>			
<i>-- Office of Victim's Services</i>			
Crime Victim Assistance	15POVC-23-GG-00466-ASSI	16.575	29,500
Crime Victim Assistance	15POVC-22-GG-00804-ASSI	16.575	33,687
<i>Total Crime Victim Assistance</i>			63,187
<i>Pass-Through the Northeast Council of Governments</i>			
Project Safe Neighborhoods	2024-15PBJA-24-GG-04094-GUNP	16.609	17,720
Project Safe Neighborhoods	2023-15PBJA-23-GG-02500-GUNP	16.609	76,663
Project Safe Neighborhoods	2022-15PBJA-22-GG-00829-GUNP	16.609	17,188
<i>Total Project Safe Neighborhoods</i>			111,571
<i>Direct Federal Funding:</i>			
Bullet Proof Vest Partnership Program	2024-2026	16.607	3,379
Bullet Proof Vest Partnership Program	2023-2025	16.607	11,963
<i>Total Bullet Proof Vest Partnership Program</i>			15,342
Edward Byrne Criminal Justice Innovation Program	2019-BJ-BX-0002	16.817	69,289
Community-Based Violence Intervention and Prevention Initiative	15PBJA-22-GG-04722-CVIP	16.045	411,200
Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-24-GG-05215-JAGX	16.738	99,490
Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-23-GG-03779-JAGX	16.738	119,895
Edward Byrne Memorial Justice Assistance Grant Program-Connect & Protect	15PBJA-21-GG-042326-NTCP	16.738	227,579
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>			446,964
Public Safety Partnership and Community Policing Grants - CHP	15JCOPS-21-GG-03437-UHPX	16.710	115,689
Public Safety Partnership and Community Policing Grant - CPD	15JCOPS-21-GG-02308-SPPS	16.710	92,427
Public Safety Partnership and Community Policing Grant- Microgrants	15JCOPS-22-GG-04528-PPSE	16.710	60,457
<i>Total Community Policing Grant</i>			268,573
Total U.S. Department of Justice			1,386,126
U.S. Department of Transportation:			
<i>Pass-Through the S.D. Department of Transportation:</i>			
Airport Improvement Program	3-46-0048-58-2021	20.106	92,091
Airport Improvement Program	3-46-0048-61-2022	20.106	789,998
Airport Improvement Program (CARES ACT)	3-46-0048-63-2022	20.106	213,298
Airport Improvement Program	3-46-0048-64-2023	20.106	7,205,556
Airport Improvement Program	3-46-0048-65-2024	20.106	4,516,526
Airport Improvement Program	3-46-0048-66-2023	20.106	3,759,478
<i>Total Airport Improvement Program</i>			16,576,947

CITY OF RAPID CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Identifying Number	Assistance Listing Number	Amount
<i>Direct Federal Funding:</i>			
Highway Planning and Construction -- Trans and Transit MPO	311615	20.505	554,199
Highway Planning and Construction -- Trans and Transit MPO	311515	20.505	94,332
<i>Total Highway Planning and Construction -- Trans and Transit MPO</i>			648,531
<i>Pass-Through the SD Department of Public Safety - Office of Highway Safety</i>			
State and Community Highway Safety	2025-00-10	20.600	23,146
State and Community Highway Safety	2024-00-60	20.600	120,212
<i>Total State and Community Highway Safety</i>			143,358
<i>Pass-Through the SD Department of Public Safety -- Office of Emergency Management</i>			
Interagency Hazardous Materials Public Sector Training and Planning (HMEP)	693JK31940039HMEP	20.703	19,874
Interagency Hazardous Materials Public Sector Training and Planning (HMEP)	693JK32240043HMEP	20.703	44,697
<i>Total Office of Emergency Management</i>			64,571
<i>Direct Federal Funding:</i>			
Federal Transit - Formula Grants	SD-2024-003-00	20.507	263,106
Federal Transit - Formula Grants	SD-2024-007-00	20.507	917,505
Federal Transit - Formula Grants	SD-2023-002-00	20.507	700,447
<i>Total Federal Transit - Formula Grants</i>			1,881,058
Federal Transit - Buses and Bus Facilities Formula	SD-2022-010-00	20.526	164,618
<i>Total Federal Transit Cluster</i>			2,045,676
<i>Direct Federal Funding:</i>			
Safe Streets and Roads for All	693JJ32440501	20.939	39,848
Total U.S. Department of Transportation			19,518,931
U.S. Environmental Protection Agency:			
<i>Direct Federal Funding:</i>			
Climate Pollution Reduction Grants	00106300	66.046	208,452
<i>Pass-through the SD Department of Environment and Natural Resources:</i>			
Performance Partnership Grant	96838020	66.605	59,041
Total U.S. Environmental Protection Agency			267,493
U.S. Department of Agriculture:			
<i>Pass-Through the South Dakota Department of Agriculture and Natural Resources:</i>			
IRA Urban and Community Forestry	UCF-IRA-2023-007	10.727	39,450
<i>Pass-Through the SD Department of Wildland Fire</i>			
Cooperative Forestry Assistance	19-DG-11020000-054-9079	10.664	6,296
Cooperative Forestry Assistance	23-DG-11021600-053	10.664	41,618
<i>Total Cooperative Forestry Assistance</i>			47,914
Total U.S. Department of Agriculture			87,364
Corporation for National and Community Service:			
<i>Direct Federal Funding:</i>			
Retired and Senior Volunteer Program	22SRES001	94.002	126,403
Total Corporation for National and Community Service			126,403
U.S. Department of Treasury:			
<i>Direct Funding</i>			
Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	ARPA	21.027	4,697,225
<i>Pass-Through the SD Department Health:</i>			
Coronavirus State and Local Fiscal Recovery Funds	SLFRP5319	21.027	88,387
Coronavirus State and Local Fiscal Recovery Funds	SLFRP5319	21.027	92,031
<i>Pass-Through the South Dakota Department of Agriculture and Natural Resources</i>			
Coronavirus State and Local Fiscal Recovery Funds	2022G-ARP-440	21.027	340,427
Coronavirus State and Local Fiscal Recovery Funds	2022G-ARP-187	21.027	23,777,806
Total U.S. Department of Treasury			28,995,876

CITY OF RAPID CITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Identifying Number	Assistance Listing Number	Amount
U.S. Department of Health and Human Services:			
<i>Pass-through the SD Department of Health</i>			
Activities to Support State, Tribal, Local and Territorial			
Health Department Response to Public Health or Healthcare Crises	24SC09	93.391	49,970
Activities to Support State, Tribal, Local and Territorial			
Health Department Response to Public Health or Healthcare Crises (COVID)	24SC09 0017	93.391	10,194
Total U.S. Department of Health and Human Services			60,164
U.S. Department of Homeland Security:			
<i>Direct Funding</i>			
Assistance to Firefighters	EMW-2022-FG-03687	97.044	63,177
<i>Pass-Through the SD Department of Public Safety -- Office of Homeland Security</i>			
Homeland Security Grant	HLS-2023-00275	97.067	58,331
Homeland Security Grant	2022-SS-00008-S01	97.067	69,306
<i>Total Homeland Security Grant</i>			127,637
Total U.S. Department of Homeland Security			190,814
Total Federal Awards			\$ 51,128,124

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF RAPID CITY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

Note 1: The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Rapid City, South Dakota (the "City") under programs of the federal government for the year ended December 31, 2024. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows, where applicable, of the City of Rapid City, South Dakota.

Note 2: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: The City had the following subrecipients, that includes program income of \$38,672.

Community Development Block Grants/Entitlement Grants Cluster:

Volunteers of America	\$	42,870
Western SD Community Action		35,880
Behavior Management Systems/West River Mental Health		40,177
WAVI		28,563
Wellfully		26,130
YMCA of Rapid City		33,884
Black Hills Works		10,502
Dolan Holdings		5,757
Youth and Family Services		4,020
Total funds passed through to subrecipients	\$	227,783

OTHER REPORTS



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

Mayor and City 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 *Governments 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basis financial statements, and have issued our report thereon dated September 15, 2025.

Report on 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) as a basis for designing 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as 2024-001 and 2024-002, that we consider to be material weaknesses.

City of Rapid City

Report on 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings. The City's response was not subjected to the other 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.



KETEL THORTSTENSON, LLP
Certified Public Accountants

September 15, 2025



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Mayor and City Council
City of Rapid City
Rapid City, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Rapid City's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings.

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 major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

City of Rapid City

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings as 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 2024-003 and 2024-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

City of Rapid City

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. 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.

A handwritten signature in dark ink, reading "Ketel Thorstenson, LLP". The signature is fluid and cursive, with the letters "K", "T", and "L" being particularly prominent.

KETEL THORSTENSON, LLP
Certified Public Accountants

September 15, 2025

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditor's Report expresses an unmodified opinion on the financial statements of the City.
2. Material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. Significant deficiencies disclosed during the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the City expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for the City are reported in Part C of this schedule.
7. The programs tested as a major programs for 2024 was the Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing #21.027) and Federal Transit (Assistance Listings #20.507 and #20.526).
8. The threshold for distinguishing type A and B programs was \$1,537,642.
9. The City was not determined to be a low risk auditee.

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

B. Findings – Financial Statement Audit

Material Weaknesses

Finding No. 2024-001: Internal Controls

Federal Program Affected: None

Compliance Requirement: None

Questioned Costs: None

Condition and Cause: The City has numerous departments completing projects and maintaining operating activities. City departments lack internal controls that provide for consistency and completeness of financial information reported to the finance office. The Civic Center Fund department did not properly identify assets, liabilities, revenues, and expenditures for various department activity and failed to report the activity to the finance office.

Criteria and Effect: A lack of proper controls to identify asset, liability, revenue, and expenditure balances could result in material misstatements in the financial statements.

Recommendation: We recommend the City develop consistent processes to timely identify assets, liabilities, revenues, and expenditures.

Repeat Finding from Prior Year: Yes with modifications, prior year finding 2023-001.

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

Finding No. 2024-002: Audit Adjustments

Federal Program Affected: None

Compliance Requirement: All

Questioned Costs: None

Condition and Cause: During the audit process, we recorded significant audit adjustments. Other entries were proposed as part of the audit, but the entries were not recorded due to the overall insignificance on the financial statements. The most significant adjustment related to the following:

- To adjust capital assets and related expenditures.
- To record lease activity.
- To record subscription-based information technology (SBITAs) activity.
- To record prior period adjustment to correct prior period Civic Center asset, liability, revenue, and expenditure understatement.
- To adjust SDRS pension activity.
- To adjust tax increment district fund activity.

Criteria and Effect: The City's financial statements are provided to numerous granting agencies and lenders. The City lacks internal controls to ensure the identification and accurate recording of all year-end balances.

Recommendation: We recommend year-end adjustments be reviewed by the Finance Director.

Repeat Finding from Prior Year: Yes, prior year finding 2023-002.

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

CITY OF RAPID CITY

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

C. Findings – Compliance Audit

Significant Deficiency

Finding No. 2024-003: Suspension and Debarment Requirement

Federal Program Affected: Coronavirus State and Local Fiscal Recovery Funds – ALN 21.027

Compliance Requirement: Procurement, Suspension, and Debarment

Questioned Costs: None

Condition and Cause: The City did not adhere to their written policies regarding suspension and debarment.

Criteria and Effect: Before entering into a contract using federal funding, the City must determine the vendor is not suspended or debarred. A lack of proper identification of federal grant compliance requirements could result in improper use of grant revenue and improper reporting on the schedule of expenditures of federal awards.

Recommendation: The City should verify vendors are not suspended or debarred prior to entering a contract using federal funding.

Repeat Finding from Prior Year: No.

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

Finding No. 2024-004: Period of Performance

Federal Program Affected: Federal Transit – ALN 20.507 and ALN 20.526

Compliance Requirement: Period of Performance

Questioned Costs: \$168,976 Known Questioned Costs

Condition and Cause: The City did not have a control process in place to verify and have written approval for federal funding reimbursement requests submitted outside of the grant award period of performance.

Criteria and Effect: The City's internal control structure failed to obtain written approval for grant extensions on reimbursement requests submitted for expenditures outside of individual grant award period of performance. The City did not track pre-award costs to ensure proper cutoff of grant expenditures. The lack of controls resulted in noncompliance with program requirements and questioned costs to the program. All questioned costs related to period of performance was identified during testing.

Recommendation: The City should obtain written approval or grant award extensions before incurring expenditures and submitting for reimbursement from the federal program outside of the grant award period of performance.

Repeat Finding from Prior Year: No

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

MANAGEMENT RESPONSE



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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2024

The City of Rapid City respectfully submits the following summary schedule of prior audit findings from December 31, 2023 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the 2023 Schedule of Findings.

2023-001 Finding: Internal Controls

Status: The City implemented several changes in internal controls processes; however, the City still had a lack of adequate internal controls.

Initial Year Report: Originally issued years ago.

Reasons for Recurrence and Corrective Action Plan: Strengthening internal controls is a continuous process. The City recognizes this and is engaged in an ongoing campaign to review and modify existing functions and processes to ensure adequate internal control and proper segregation of duties.

Finance management met with applicable staff immediately after the deficiency was noted by audit staff and reviewed policies regarding project activity and revenue tracking. No further incidents have been noted by management.

Grant applications and project activity are currently handled and processed at a departmental level. At times, staff processing these applications do not follow the City's grant application process. In 2023 additional steps were taken to ensure all grant applications were processed according to the City's Uniform Grant Guidance policies/procedures. These steps included the Finance Director communicating the grants application policies to all Department Directors, the Deputy Finance Director - Grants/Financial Reporting expanding the scope of the period covered to ensure that all federal expenditures/revenue are identified and reported in the correct period and Grants Division Manager meeting with all department staff involved in grant applications to review grant conditions and requirements prior to application submission.

2023-002 Finding: Audit Adjustments

Status: The City made efforts to record all year-end entries, but several audit adjustments were made.

Initial Year Report: Originally issued years ago.

Reasons for Recurrence and Corrective Action Plan: The Finance Office agrees that both material and immaterial audit adjustments were subsequently recorded in order to accurately report account balances/transactions. The year end reconciliation checklists and processes modifications recommended by the auditor as well as those noted internally will be implemented to ensure the accuracy and completeness of account balances/transactions.



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

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605-394-4143

CORRECTIVE ACTION PLAN DECEMBER 31, 2024

The City respectfully submits the following corrective action plan regarding findings from the December 31, 2024 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the Schedule of Findings.

2024-001 FINDING: Internal Controls

Responsible Officials: Daniel Ainslie, Finance Director

Corrective Action Plan: Strengthening internal controls is a continuous process. The City recognizes this and is engaged in an ongoing campaign to review and modify existing functions and processes to ensure adequate internal controls and proper segregation of duties. The functions and processes will continue to be reviewed and improved upon as deficiencies are discovered.

The Finance Director will send directive to City departments that all operating activities and account balances will be reported to the Finance Department on a monthly basis. In addition, Civic Center management and Finance management will prepare and implement a corrective action plan to ensure adequate internal controls over revenue and disbursements are in place and operating effectively and that all assets, liabilities, revenue and expenditures are reported timely and accurately.

Anticipated Completion Date: Assessing and mitigating identified internal control risks are, and should be, an ongoing process. Changes in responsibilities and processes to those deficiencies identified during the audit are currently in the development stage and will be implemented for the year ending December 31, 2025.

2024-002 FINDING: Audit Adjustments

Responsible Officials: Daniel Ainslie, Finance Director, Dave Yuhas, Deputy Finance Director – Grants/Financial Reporting

Corrective Action Plan: The year-end reconciliation checklists and processes modifications recommended by the auditor as well as those noted internally will be implemented to ensure the accuracy and completeness of account balances/transactions.

Anticipated Completion Date: The audit adjustments related to lease and SBITA activity will be ongoing audit adjustments as those schedules are maintained by the audit firm. Outside of those adjustments, the Finance Office does not expect that any audit adjustments proposed by auditors for the 2025 audit will be material to the financial statements as a whole.



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

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605-394-4143

CORRECTIVE ACTION PLAN **DECEMBER 31, 2024**

2024-003 FINDING: Suspension and Debarment Requirement

Responsible Officials: Daniel Ainslie, Finance Director, Joel Landeen, City Attorney

Corrective Action Plan: The Finance office will collaborate with the Attorney's office to ensure that all request for proposals/bids and contract agreements contain language confirming that bidder/awardee has not been suspended or debarred. The bid opening process will include steps to verify that the required documentation is included in bid packages.

Anticipated Completion Date: December 31, 2025

2024-004 FINDING: Period of Performance

Responsible Officials: Daniel Ainslie, Finance Director, Jamie Toennies, Grants Division Manager

Corrective Action Plan: Written communication will be sent to department directors and staff involved in grant administration addressing the compliance requirements associated with Period of Performance. This communication will specifically state that no federal funds will be spent outside of this time period without written approval by grantor and/or approved budget modification. In addition, the City's Uniform Grant Guidance Policies/Procedures will be updated to include a section on Period of Performance compliance requirements.

Anticipated Completion Date: December 31, 2025