

|AGENDA Monday, October 27, 2008
|Informational Sioux Falls City Council
|
| 4:00 p.m. at Carnegie
|
|Town Hall
|
| 235 West 10th Street

1. Call To Order

2. City Council Staff Report

A. Updates from Debra A. Owen, City Clerk

3. Mayor Munson

4. Audit Committee

5. Fiscal Committee

6. Land Use Committee

7. Public Services Committee

8. City Council Open Discussion

9. Staff Report

A. Monthly Financial Update by Eugene Rowenhorst, Director of Finance

Monthly Report

B. Initiated Measure 10 by Yvonne Taylor, Executive Director of the South Dakota Municipal League

C. Accounts Payable and Property Tax Audit Reports by Rich Oksol, Lead Internal Auditor

Accounts Payable Audit

Property Taxes Audit

Response from Finance Department

Res. 194-07

10. Executive Session

11. Adjournment

Date: 2008-10-27
SIRE Meeting ID: 959
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/1ejhkgZzgqo>
Agenda Item: Not Assigned
Item ID: 40713

The following document(s) are public records obtained from the
City of Sioux Falls.

**City of Sioux Falls
Monthly Financial
Status Report
(Unaudited)**

September 30, 2008

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FUND SUMMARIES

General Fund Summary 1

The General Fund is the City's primary operating fund. The primary revenue sources are the first penny sales tax and property taxes. Other revenues include the frontage tax, licenses and permits, federal, state and county shared revenues, and charges for goods and services. Expenditures are used to fund operating activities including personnel expenditures for wages and benefits, professional services, repair and maintenance, supplies and materials, utilities, and other non-capital costs.

In addition to providing a current budget to actual expenditures comparison, the report also measures performance to two policy targets established by the City Council. The first is a comparison of the estimated unreserved fund balance to budgeted expenditures with a target of 25% unreserved fund balance to budget at year-end. The second policy target is an 11% cash balance to budget.

Sales & Use Tax Summary 2

The Sales & Use Tax Fund is a special revenue fund that accounts for capital purchases and debt service funded by the second penny (.92) sales tax. In addition to sales tax, revenues include special assessments and state or federal grants. Expenditures include purchase of land, construction of buildings, infrastructure and other capital improvements, and capital equipment purchases.

As large construction project contracts are awarded and paid throughout the year and into future years, encumbrances have been added to the actual-to-budget comparison to provide a more accurate picture of remaining budget balances. The long-term nature of the contracts and agreements is also the reason for the focus on unobligated fund balances to identify the estimated remaining resources that may be programmed for capital projects.

Municipal Sales & Use Tax Receipts 3

This report provides the detail of the sales & use tax receipts that are collected and remitted to the City by the State of South Dakota Department of Revenue. The first and second penny (.92) sales tax are collected on essentially all local sales and are used as described above. The entertainment tax is collected on lodging, sales of alcoholic beverages, dining out, as well as ticket sales or admissions. The entertainment tax is used to fund operating and capital activities related to the operations of the Convention Center and Washington Pavilion as well as pay a portion of the debt service for the construction of the two facilities. The lodging tax is collected on overnight stays with the entire amount collected being remitted to the Convention and Visitors Bureau for promoting the City.

Compilation of Other Funds 4-6

Special Revenue Funds are used to account for the proceeds of special revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Additional Special Revenue Funds include the Entertainment Tax Fund, Railroad Relocation Fund, Community Development Fund, Transit Fund, Storm Drainage Fund, and Big Sioux River Environmental Fund.

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). This fund type includes the Special Assessment Bond Construction Fund, TIF Fund, Sioux Falls Flood Control Fund, and Culture/Rec Bond Construction Fund. Certain funds within this category are on a reimbursement basis and will carry negative balances within available cash as they await reimbursement from trust funds or other sources.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs. This fund type includes the Library Memorial Fund and Cottom Memorial Fund.

Internal Service Funds are used to effectively accumulate and allocate costs internally among the City's various functions. Internal Service Funds are used for the City's self-insured health plan, workers' compensation, liability insurance, technology equipment (general revolving fund), and fleet management services. These services are provided to the other departments of the City on a cost reimbursement basis. Much like the enterprise funds, the internal service funds are driven by service levels and are non-appropriated. A change in cash position is provided for these funds to indicate balances available to meet the demands for service within these funds.

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Enterprise Fund Summary of Cash Flows 7

The Enterprise Funds account for the business-type activities of the government. The City of Sioux Falls uses enterprise funds to account for the activities of the electric light, public parking, sanitary landfill, water, and water reclamation operations. Demands for services determine the amount of resources necessary to provide the established service levels; thus, the funds are non-appropriated. A modified cash flow statement is provided for these funds as it provides the most useful information in monitoring the status of each of these funds and their ability to fund ongoing operating and capital needs.

CAPITAL PROGRAM

Capital Improvement Program (CIP) Fund & Department Summary 8

This 2008 CIP summary is organized on a fund and departmental basis. It provides a general overview of the allocation of the various resources as well as providing current budget balances for the CIP by department.

Capital Improvement Program (CIP) Projects Summary 9-12

This 2008 CIP report presents each individual project within the capital program. As each project may involve several funds, the projects are organized by the primary department for which the project is being completed. Project budgets are balanced on a project-by-project basis. The report also contains a status code to define the status of each project. The codes are: n – not started; b – in bid process; s – contract signed; d – in-design; i – in-construction; c – complete.

Other Capital Expenditures Program (OCEP) Summary 13-15

The 2008 OCEP report details out the City's capital equipment program by fund and department. Equipment budgets are balanced on a departmental basis, not on an item-by-item basis.

DEBT

Outstanding or Authorized Debt 16

This page is a detail of the City's current outstanding and/or authorized debt. It is meant as informational only as it does not place the debt into context as to the ability that each source has to repay the obligation. The ability to repay is shown in detail in the comprehensive annual financial report of each year. This report summarizes each debt issue that is outstanding or that has been approved but not yet issued, the general purpose for each debt issuance, the source of repayment, and the interest rates for each issue. The report is organized into two broad categories, governmental and business-type, to indicate the funding source being used to repay the obligation.

BUDGET

Budget/Appropriation Adjustments 17-19

The appropriation and budget adjustment report shows budgetary actions that have occurred since the budget was initially adopted. The report is organized to show budget actions on a fund basis. The details for the supplement column are presented by month on the final page of this section to show specific actions and the reason for each supplement.

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

General Fund Summary - Fund 100 (75% of year lapsed)

Unreserved Fund Balance & Cash Status:				
	<u>Current Budget</u>	<u>Actual</u>	<u>Current Cash Balance</u>	
Unreserved Fund Balance Jan 1	\$ 37,002,503	\$ 37,002,503	Available (Unrestricted)	\$ 27,441,897
			Restricted	871,271
			Total	<u>\$ 28,313,168</u>
Revenues	110,483,904	71,944,279		
Expenditures	110,528,904	76,882,949		
Net Change in Fund Balance	(45,000)	(4,938,669)	% Unrestricted Cash Balance to Budget (11% Policy Target)	24.8%
Unreserved Fund Balance Ending	<u>\$ 36,957,503</u>	<u>\$ 32,063,834</u>		
	33.4%	% Unreserved Fund Balance to Budget (25% Policy Target)		

Budget Status				
	<u>Revenue</u>	<u>Current Budget</u>	<u>Actual Revenue</u>	<u>% of Budget</u>
Taxes				
Property Tax		\$ 37,805,740	\$ 20,170,495	53%
Sales Tax		47,273,591	31,835,277	67%
Frontage Tax		3,666,104	2,065,056	56%
Lodging Tax		494,400	400,033	81%
Amusement Tax		15,019	11,832	79%
Penalties and Interest		53,726	39,368	73%
Total Taxes		89,308,580	54,522,061	61%
Licenses and Permits		4,192,763	3,246,000	77%
Intergovernmental Revenue				
Federal Grants		3,166,828	2,139,594	68%
Bank Franchise Tax		975,000	2,357,348	242%
Liquor Tax Revision		674,756	366,968	54%
Motor Vehicle Licenses		1,513,680	1,003,788	66%
Wheel Tax		128,206	119,292	93%
Other		1,411,380	1,158,755	82%
Total Intergovernmental Revenue		7,869,850	7,145,745	91%
Charges for Goods and Services		5,069,535	3,364,904	66%
Fines and Forfeitures		1,038,518	881,266	85%
Investment Revenue		1,816,653	2,168,238	119%
Other Revenue		1,188,005	616,066	52%
Total General Fund Revenue		\$ 110,483,904	\$ 71,944,279	65%
Expenditures by Department		Current Budget	Actual Expenditures	% Expended
01 Mayor		\$ 506,811	\$ 359,396	71%
06 Attorney		876,205	618,413	71%
07 Human Resources		1,356,472	837,090	62%
09 City Council		1,021,894	628,842	62%
10 Finance		1,889,751	1,308,627	69%
11 Facilities Management		1,057,468	742,109	70%
16 Central Services		2,447,532	1,556,471	64%
24 Media Services		1,398,291	978,681	70%
49 General Government Services		6,485,008	4,709,900	73%
Total General Government		17,039,432	11,739,528	69%
15 Fire		18,477,493	12,934,425	70%
21 Police		24,912,285	17,705,071	71%
Total Public Safety		43,389,778	30,639,496	71%
14 Engineering		4,333,801	3,040,262	70%
30 Public Works Admin		591,851	441,539	75%
33 Street		13,731,479	8,869,907	65%
Total Highways & Streets		18,657,131	12,351,708	66%
18 Health		7,207,254	4,780,364	66%
12 Arena		1,214,074	596,768	49%
28 Library		5,405,085	3,722,663	69%
64 Park/Recreation		12,253,739	9,282,817	76%
Total Culture & Recreation		18,872,898	13,602,248	72%
25 Planning/Building Services		4,523,011	3,124,164	69%
67 Convention Visitors Bureau		839,400	645,441	77%
Total Urban & Economic Development		5,362,411	3,769,605	70%
Total General Fund Expenditures		\$ 110,528,904	\$ 76,882,949	70%

City of Sioux Falls
 Monthly Financial Report
 September 30, 2008

Sales/Use Tax Fund Summary - Fund 253 (75% of year lapsed)

Unreserved Fund Balance & Cash Status:			
	Current Budget		
Unreserved Fund Balance January 1	\$ 20,424,949	Beginning Cash Balance January 1	\$ 33,304,105
Project Carry Forwards	13,300,373		
Adjusted Beginning Unobligated Fund Balance	7,124,576	Change in Cash Balance	1,317,817
Budgeted Change in Fund Balance	66,366	Ending Cash Balance	34,621,922
Budget Adjustments (supplements, net)	(6,934,935)	Less Designated Cash	(5,305,973)
Budgeted Net Change in Fund Balance	(6,868,569)	Less Restricted Cash	(810,890)
		Less Cash in Trust	(7,510,140)
Unobligated Fund Balance Ending	\$ 256,007	Ending Available Cash Balance	\$ 20,994,919

Budget Status:		
Revenue	Current Budget	Actual Revenue
Taxes (second (.92) penny)	\$ 43,491,703	\$ 29,291,143
Federal & State Grants	3,058,500	913,443
Interest Earned on Trust Investments	84,000	25,321
Special Assessments	900,000	277,255
Transfers In	3,500,000 *	156,833
Contributions/Other	231,858	1,080,914
Total Sales/Use Tax Fund Revenue	\$ 51,266,061	\$ 31,744,909

* As the Quality of Life Bonds were sold in 2007, revenue for this transaction was recognized in 2007.

Expenditures by Department	Current Budget	Expended	Encumbered	Balance
06 Attorney	\$ 2,752	\$ 1,750	\$ -	\$ 1,002
11 Facilities Management	636,448	171,625	35,925	428,898
16 Central Services	130,900	54,647	-	76,253
24 Media Services	49,229	29,540	-	19,689
49 General Government Services	18,000	8,600	-	9,400
Total General Government	837,329	266,162	35,925	535,242
15 Fire	3,079,293	444,592	2,272,906	361,794
21 Police	1,589,884	809,727	-	780,157
Total Public Safety	4,669,177	1,254,319	2,272,906	1,141,951
14 Engineering	25,508,416	9,509,092	10,845,947	5,153,376
33 Street	9,043,250	6,131,870	2,385,678	525,702
56 Electric Light	164,797	27,937	61,558	75,302
72 Storm Drainage	3,722,485	2,259,625	1,146,064	316,797
Total Highways & Streets	38,438,948	17,928,524	14,439,247	6,071,177
18 Health	191,910	98,312	6,507	87,091
12 Arena	646,400	109,619	300,976	235,805
28 Library	754,373	612,603	132,023	9,747
64 Park/Recreation	16,023,554	5,811,052	5,395,316	4,817,186
Total Culture & Recreation	17,424,327	6,533,274	5,828,315	5,062,738
25 Planning/Building Services	562,727	251,008	37,500	274,219
68 Transit	983,396	-	-	983,396
Total Urban & Economic Development	1,546,123	251,008	37,500	1,257,615
53 Debt Service	11,250,519	3,447,928	-	7,802,591
Total Sales/Use Tax Fund Exp.	\$ 74,358,333	\$ 29,779,528	\$ 22,620,400	\$ 21,958,405

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Municipal Sales/Use Tax Receipts

	Sales/Use Tax		Capital Improvement Tax		Entertainment Tax		Lodging Tax	
	2008 1%	2007 1%	2008 0.92%	2007 0.92%	2008 1%	2007 1%	2008 1%	2007 1%
January	\$ 2,314,552	\$ 2,757,003	\$ 2,129,388	\$ 2,536,766	\$ 219,900	\$ 213,473	\$ 18,868	\$ 16,174
February	4,035,816	3,085,398	3,713,068	2,838,746	436,452	345,922	34,295	32,406
March	3,574,835	3,652,121	3,288,852	3,365,109	396,473	393,613	42,804	33,412
April	2,848,615	4,071,990	2,620,749	3,749,043	329,390	411,814	30,731	44,537
May	3,970,932	2,808,963	3,653,370	2,584,544	448,519	277,407	48,010	35,886
June	3,633,986	3,545,448	3,345,204	3,261,787	411,711	391,577	44,104	40,663
July	3,841,637	3,797,704	3,534,306	3,496,205	446,515	473,906	54,113	56,139
August	4,173,517	4,261,720	3,839,638	3,920,720	488,079	531,051	69,333	68,422
September	3,477,048	3,502,992	3,199,376	3,223,756	536,274	378,902	57,775	55,967
October		3,750,676		3,450,004		416,016		49,469
November		3,541,400		3,283,612		318,870		55,427
December		5,660,131		5,207,398		624,365		76,368
Refund (ORD 42-05)	(35,661)	(23,031)	(32,808)	(21,189)				
Total YTD ¹	31,835,277	31,483,339	29,291,143	28,976,676	3,713,313	3,417,663	400,033	383,605
Budget	47,273,591	43,862,687	43,491,703	40,353,672	4,836,075	4,605,786	494,400	480,000
Actual 12-month total for previous year		44,412,516		40,896,501		4,776,914		564,869
Unrealized Budget Balance	\$ (15,438,314)	\$ (12,379,348)	\$ (14,200,560)	\$ (11,376,996)	\$ (1,122,762)	\$ (1,188,123)	\$ (94,367)	\$ (96,395)
Percent of Budget YTD	67.3%	71.8%	67.3%	71.8%	76.8%	74.2%	80.9%	79.9%
Percent 2008 receipts Exceeds 2007 receipts	1.1%		1.1%		8.7%		4.3%	

¹ YTD totals for prior year include the same months as the current year for comparison purposes.

Monthly Sales Tax receipts reflected on this report are based upon standard collection periods, the City Ledger records receipts based on the date of receipt not collection period.

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Compilation of Other Funds (75% of year lapsed)

ENTERTAINMENT TAX FUND (250)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 6,220,544	\$ 6,220,544		Available \$ 3,499,155
Revenues	5,056,075	3,853,099	76%	Designated 1,666,820
Expenditures				Trust 1,564,654
50 Entertainment Tax - Debt Service	2,307,452	356,317	15%	Total <u>\$ 6,730,629</u>
67 Convention Center	1,208,938	898,185	74%	
69 Washington Pavilion	3,438,970	2,192,108	64%	
Total Expenditures	<u>6,955,360</u>	<u>3,446,610</u>	50%	
Net Change in Fund Balance	<u>(1,899,285)</u>	<u>406,489</u>		
Ending Fund Balance	<u>\$ 4,321,259</u>	<u>\$ 6,627,033</u>		

RAILROAD RELOCATION FUND (254)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 8,421	\$ 8,421		Available \$ (40,552)
Revenues	9,753,174	62,890		Total <u>\$ (40,552)</u>
Expenditures	<u>9,753,174</u>	<u>111,861</u>	1%	
Net Change in Fund Balance	<u>-</u>	<u>(48,972)</u>		
Ending Fund Balance	<u>\$ 8,421</u>	<u>\$ (40,551)</u>		

COMMUNITY DEVELOPMENT FUND (260)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 1,646,930	\$ 1,646,930		Available \$ 231,318
Revenues	4,283,300	1,559,622	36%	Designated 842,226
Expenditures	<u>4,283,300</u>	<u>1,639,582</u>	38%	Restricted 135,438
Net Change in Fund Balance	<u>-</u>	<u>(79,960)</u>		Total <u>\$ 1,208,982</u>
Ending Fund Balance	<u>\$ 1,646,930</u>	<u>\$ 1,566,970</u>		

TRANSIT SYSTEM FUND (268)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 997,619	\$ 997,619		Available \$ 1,129,720
Revenues				Total <u>\$ 1,129,720</u>
Charges for Services	662,700	525,879	79%	
City Operating (General Fund Transfers)	4,008,774	2,600,000	65%	
State Operating	76,575	123,993	162%	
Federal Operating	1,898,768	1,845,990	97%	
Federal Capital	3,932,012	21,986	1%	
Total Revenues	<u>10,578,829</u>	<u>5,117,848</u>	48%	
Expenditures				
Operating	6,646,817	4,923,008	74%	
Capital	3,932,012	874		
Total Expenditures	<u>10,578,829</u>	<u>4,923,882</u>	47%	
Net Change in Fund Balance	<u>-</u>	<u>193,966</u>		
Ending Fund Balance	<u>\$ 997,619</u>	<u>\$ 1,191,585</u>		

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Compilation of Other Funds (75% of year lapsed)

STORM DRAINAGE FUND (272)				
	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 3,576,307	\$ 3,576,307		Available \$ 2,017,667
Revenues	8,434,246	3,934,585	47%	Designated 827,751
Expenditures				Total <u>\$ 2,845,418</u>
Operating	1,821,634	859,994	47%	
Capital	9,640,231	3,785,984	39%	
Debt Service	131,162	82,351	63%	
Total Expenditures	<u>11,593,027</u>	<u>4,728,329</u>	41%	
Net Change in Fund Balance	<u>(3,158,781)</u>	<u>(793,744)</u>		
Ending Fund Balance	<u>\$ 417,526</u>	<u>\$ 2,782,563</u>		

NEIGHBORHOOD REVITALIZATION (276)				
	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ -	\$ -		Available \$ 82,881
Revenues	50,000	50,285		Designated 50,000
Expenditures	<u>50,000</u>	<u>43,619</u>	87%	Total <u>\$ 132,881</u>
Net Change in Fund Balance	<u>-</u>	<u>6,666</u>		
Ending Fund Balance	<u>\$ -</u>	<u>\$ 6,666</u>		

BIG SIOUX ENVIRONMENTAL TRUST FUND (281)				
	<u>Current Budget</u>	<u>Actual</u>		<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 1,761,241	\$ 1,761,241		Restricted \$ 1,740,549
Revenues	60,000	54,398		Total <u>\$ 1,740,549</u>
Expenditures	<u>-</u>	<u>-</u>		
Net Change in Fund Balance	<u>60,000</u>	<u>54,398</u>		
Ending Fund Balance	<u>\$ 1,821,241</u>	<u>\$ 1,815,639</u>		

LIBRARY MEMORIAL FUND (482)				
	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 74,426	\$ 74,426		Available \$ 47,743
Revenues	6,000	5,871		Restricted 24,729
Expenditures	<u>10,000</u>	<u>4,619</u>	46%	Total <u>\$ 72,472</u>
Net Change in Fund Balance	<u>(4,000)</u>	<u>1,252</u>		
Ending Fund Balance	<u>\$ 70,426</u>	<u>\$ 75,678</u>		

COTTAM MEMORIAL FUND (486)				
	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 5,354	\$ 5,354		Available \$ 3,291
Revenues	200	165		Restricted 2,000
Expenditures	<u>400</u>	<u>-</u>	0%	Total <u>\$ 5,291</u>
Net Change in Fund Balance	<u>(200)</u>	<u>165</u>		
Ending Fund Balance	<u>\$ 5,154</u>	<u>\$ 5,519</u>		

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Compilation of Other Funds (75% of year lapsed)

SPECIAL ASSESSMENT CONSTRUCTION FUND (595)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 46,017	\$ 46,017		Available \$ 3,312,461 Total <u>\$ 3,312,461</u>
Revenues	-	146,550		
Expenditures - Capital	<u>6,988,992</u>	<u>2,133,533</u>	31%	
Net Change in Fund Balance	<u>(6,988,992)</u>	<u>(1,986,984)</u>		
Ending Fund Balance	<u>\$ (6,942,975)</u>	<u>\$ (1,940,967)</u>		

T.I.F. DISTRICT CONSTRUCTION FUND (596)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ (385,026)	\$ (385,026)		Available \$ - Restricted 30,395 Trust 578,347 Total <u>\$ 608,742</u>
Revenues	2,690,000	2,311,293	86%	
Expenditures	<u>1,602,500</u>	<u>1,317,886</u>	82%	
Net Change in Fund Balance	<u>1,087,500</u>	<u>993,407</u>		
Ending Fund Balance	<u>\$ 702,474</u>	<u>\$ 608,381</u>		

SIOUX FALLS FLOOD CONTROL FUND (598)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 1,116,170	\$ 1,116,170		Available \$ 1,628,307 Total <u>\$ 1,628,307</u>
Revenues	446,000	1,705,684	382%	
Expenditures	<u>2,607,362</u>	<u>1,104,001</u>	42%	
Net Change in Fund Balance	<u>(2,161,362)</u>	<u>601,683</u>		
Ending Fund Balance	<u>\$ (1,045,192)</u>	<u>\$ 1,717,853</u>		

CULTURE/REC BOND CONSTRUCTION FUND (599)

	<u>Current Budget</u>	<u>Actual</u>	<u>% Budget</u>	<u>Current Cash Balance</u>
Beginning Fund Balance, January 1	\$ 20,721,185	\$ 20,721,185		Available \$ (1,144,002) Trust 17,445,649 Total <u>\$16,301,647</u>
Revenues (received in 2007)	25,530,000	150,999	1%	
Expenditures	<u>23,661,833</u>	<u>5,256,074</u>	22%	
Net Change in Fund Balance	<u>1,868,167</u>	<u>(5,105,075)</u>		
Ending Fund Balance	<u>\$ 22,589,352</u>	<u>\$ 15,616,110</u>		

INTERNAL SERVICE FUND CASH BALANCES

	<u>Balance, Jan 1</u>	<u>Balance, Sept 30</u>	<u>Increase/(Decrease)</u>
Fleet Revolving Fund (851)	\$ 2,012,641	\$ 1,326,718	\$ (685,923)
City Health/Life Benefit Fund (852)	9,547,271	11,932,550	2,385,279
Workers' Compensation Fund (855)	3,305,031	3,007,953	(297,078)
General Services Revolving Fund (857)	1,776,443	1,892,358	115,915
Insurance Liability Fund (880)	784,215	1,282,263	498,048

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Enterprise Fund Summary of Cash Flows (Year-to-Date)

	LIGHT	PUBLIC PARKING	LANDFILL	WATER	WATER RECLAMATION
Operating Revenue	\$ 4,731,895	\$ 1,853,624	\$ 5,722,280	\$ 15,291,164	\$ 9,277,481
Operating Expenses	<u>(4,248,573)</u>	<u>(1,414,529)</u>	<u>(4,146,854)</u>	<u>(12,201,301)</u>	<u>(9,962,021)</u>
Operating Income	483,322	439,095	1,575,426	3,089,863	(684,540)
Adjustment of Operating Income to Cash Flow Basis*	<u>308,357</u>	<u>539,602</u>	<u>923,246</u>	<u>3,419,498</u>	<u>4,981,300</u>
*Add back depreciation and adjust for changes in receivables and payables					
CASH FLOWS FROM OPERATING ACTIVITIES	791,679	978,697	2,498,672	6,509,361	4,296,760
Cash Flows from Capital and Related Financing Activities					
Capital Activities	(265,727)	-	(2,748,040)	(17,721,481)	(3,354,840)
Transfers	-	-	-	-	(156,833)
Financing (Debt) Activities	<u>-</u>	<u>(117,358)</u>	<u>25,091</u>	<u>(3,100,602)</u>	<u>(1,700,083)</u>
TOTAL CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(265,727)	(117,358)	(2,722,949)	(20,822,083)	(5,211,756)
CASH FLOWS FROM INVESTING ACTIVITIES	8,818	241	12,246	1,766,502	46,575
Net increase (Decrease) in Cash During the Period	534,770	861,580	(212,031)	(12,546,220)	(868,421)
Cash and Cash Equivalents, Beginning January 1	<u>1,173,260</u>	<u>2,801,262</u>	<u>11,273,969</u>	<u>56,590,288</u>	<u>11,391,631</u>
Cash and Cash Equivalents, Ending	1,708,030	3,662,842	11,061,938	44,044,068	10,523,210
Restricted cash and cash equivalents	(38,340)	(528,531)	(5,204,251)	(40,355,636)	(7,862,903)
Designated cash and cash equivalents	<u>-</u>	<u>(410,975)</u>	<u>-</u>	<u>(2,587,380)</u>	<u>-</u>
AVAILABLE CASH AND CASH EQUIVALENTS	\$ 1,669,690	\$ 2,723,336	\$ 5,857,687	\$ 1,101,052	\$ 2,660,307

City of Sioux Falls
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Capital Program - 2008 Capital Improvements Program Fund and Department Summary

<u>Fund/Department</u>	<u>Current Budget</u>	<u>Expensed or Encumbered</u>	<u>Balance</u>
Entertainment Tax			
Washington Pavilion	\$ 1,028,512	\$ 384,016	\$ 644,496
Total	1,028,512	384,016	644,496
Sales/Use Tax			
Attorney	2,752	1,750	1,002
Facilities Management	488,449	63,530	424,919
Arena	463,400	382,455	80,945
Engineering	25,506,416	20,291,457	5,214,959
Fire	1,849,376	1,774,716	74,660
Central Services	35,000	-	35,000
Health	104,048	49,650	54,398
Police	29,000	-	29,000
Planning/Building Services	481,527	237,096	244,431
Library	119,700	118,464	1,236
Street	8,966,325	8,489,095	477,230
Electric Light	164,797	89,495	75,302
Park/Recreation	15,077,606	10,409,862	4,667,744
Storm Drainage	3,722,485	3,405,688	316,797
Total	57,010,881	45,313,258	11,697,623
Rail Relocation Plan	9,753,174	127,358	9,625,816
Storm Drainage	9,640,231	5,649,944	3,990,287
Special Assessment Construction			
Engineering	5,338,992	2,539,459	2,799,533
Electric Light	300,000	81,994	218,006
Storm Drainage	600,000	421,659	178,341
Water	450,000	288,033	161,967
Water Reclamation	300,000	134,670	165,330
Total	6,988,992	3,465,815	3,523,177
Tax Increment Financing	400,000	-	400,000
Sioux Falls Flood Control			
Engineering	2,180,212	1,116,233	1,063,979
Electric Light	85,600	-	85,600
Water	85,750	-	85,750
Water Reclamation	218,300	-	218,300
Total	2,569,862	1,116,233	1,453,629
Culture & Recreation Bond Construction			
Library	12,097,176	9,526,329	2,570,847
Park/Recreation	7,614,657	7,104,342	510,315
Total	19,711,833	16,630,672	3,081,161
Electric Light	1,739,759	293,937	1,445,822
Public Parking	27,250	-	27,250
Sanitary Landfill	9,828,377	6,366,961	3,461,416
Water	50,859,528	23,251,689	27,607,839
Water Reclamation	21,395,752	7,995,880	13,399,872
Fleet	125,000	112,721	12,280
Total CIP	\$ 191,079,151	\$ 110,708,483	\$ 80,370,668

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Capital Program - Capital Improvements Program Projects Summary

Project #	Project Description	Project Status	Current Budget	Expensed	Encumbered	Balance
Attorney						
007006	OPPORTUNE LAND ACQUISITION	D	\$ 2,752	\$ 1,750	\$ -	\$ 1,002
Facilities Management						
042011	CITY HALL POWER SUPPLY	D	394,000	39,474	14,556	339,970
037011	EVIDENCE & RECORD STORAGE	C	19,449	-	-	19,449
044011	REMODEL FORMER HEALTH BUILDING & CITY HALL	D	75,000	8,708	792	65,500
Arena						
048012	ARENA HOCKEY RINK GLASS AND UPRIGHTS	N	52,200	-	-	52,200
053012	ARENA IMPROVEMENTS-LOCKER ROOMS	I	411,200	81,479	300,976	28,745
Engineering						
040088	DEVELOPMENT DRIVEN ARTERIAL STREETS	I	247,000	-	-	247,000
479099	26TH ST WEST OF ELLIS ROAD	I	791,986	723,843	30,625	37,518
447099	26TH ST-TEA/ELLIS RD TO WEST	I	5,106	-	-	5,106
475099	41ST HWY 11 TO 6 MILE ROAD	I	4,745,945	1,144,986	3,512,990	87,970
446099	72ND ST-CLIFF AVE TO EAST	I	780,718	629,703	128,398	22,617
474099	MADISON FROM MARION TO WEST	I	2,478,890	756,865	1,611,355	110,670
434099	SOUTHEASTERN 57TH 1320' S	I	1,769,222	724,682	1,009,817	34,723
197088	DEVELOPMENT DRIVEN COLLECTOR STREETS	I	3,196,133	-	-	3,196,133
458099	22ND-DISCOVEY TO PURDUE	C	4,526	4,525	-	1
468099	BAHNSON FROM MADISON TO RICE	I	720,600	438,109	181,214	101,277
467099	BAHNSON FROM MISSION TO 57TH	I	512,000	366,841	18,965	126,193
480099	CAREER AVE 60TH ST NORTH	I	895,114	447,847	400,004	47,263
466099	CAREER FROM BENSON TO TICKMAN	I	1,279,492	446,527	786,373	46,593
472099	HILLCREST FROM 54N TO 57N	I	510,017	386,454	32,202	91,361
478099	MEREDITH BITTERROOT NORTH	I	206,000	116,603	41,069	48,328
469099	VALLEY VIEW FROM 12TH-16TH	I	447,780	394,617	37,937	15,225
473099	VANEPS FROM BENSON 300 FT S	I	268,600	153,092	29,299	86,209
482099	WILLOWWOOD AVE - 6 MILE ROAD TO EAST	I	122,000	13,990	96,878	11,132
485099	GALAXY LANE, CUSHMAN TO ARUBA	I	255,650	-	234,239	21,411
381099	26TH STREET & WESTERN AVE	C	50,898	-	18,104	32,794
438099	26TH STREET, ALPINE AVENUE	I	647,709	577,791	50,788	19,130
424099	26TH STREET, BERKSHIRE BOULEVARD	I	1,314,529	1,168,921	80,432	65,176
135099	33RD STREET, CENTER AVENUE	C	1,554	369	-	1,185
422099	41ST STREET BIG SIOUX RIVER	N	100,000	-	-	100,000
419099	41ST STREET, SERTOMA AVENUE	D	3,150	2,343	806	1
461099	41ST-SD #11 TO BIG SIOUX RIVER	C	21,690	21,690	-	-
363099	49TH STREET EXTENSION	D	113,277	12,777	-	100,500
329099	4TH AVENUE, BENSON ROAD	C	63,149	-	-	63,149
281099	57TH STREET, CLIFF AVENUE TO MINNESOTA	I	2,587,172	639,198	814,765	1,133,209
388099	57TH STREET, CLIFF AVENUE TO SYCAMORE	I	3,399,923	2,036,624	970,591	392,708
440099	60TH ST NORTH, KIWANIS AVENUE	N	2,150,000	-	-	2,150,000
410099	69TH STREET, LOUISE AVENUE	C	16,176	16,175	-	1
464099	69TH-CHARGER TO SOUTHEASTERN	C	14,546	8,572	4,094	1,880
132014	85TH STREET, LOUISE AVENUE	I	8,766,581	5,142,020	2,277,449	1,347,112
449099	ARTERIAL INTERSECTION IMPROVEMENTS	D	-	-	-	-
126099	BIG SIOUX RIVER FLOOD CONTROL	I	2,569,862	1,099,172	17,061	1,453,629
300099	CLEVELAND AVENUE, 10TH ST	D	77,955	49,098	-	28,857
439099	CLIFF AVENUE FROM 57TH ST	D	223,841	98,922	48,233	76,686
194099	CLIFF AVENUE, BENSON TO CHAMBERS	I	233,248	15,689	53,438	164,120
124099	COMMUNICATIONS NETWORK UPGRADE	I	245,307	55,197	136,262	53,848
120099	DOWNTOWN AREA - STREET AND UTILITY IMPROVE	D	197,728	68,583	122,203	6,943
305099	I-90 AND MARION ROAD INTERCHANGE	D	512,000	9,722	21,567	480,711
378099	MADISON STREET, COVELL AVE	S	567,930	35,615	497,570	34,745
411099	MADISON STREET, MARION ROAD	C	13,420	5,436	7,984	-
101099	NEIGHBORHOOD RESTORATION	I	45,000	16,610	10,263	18,127
452099	RAIL RELOCATION PLAN	D	9,753,174	111,861	15,496	9,625,816
031014	RAILROAD CROSSING IMPROVEMENTS	C	94	94	-	-
435099	RAILROAD CROSSING IMPROVEMENTS	I	76,030	12,759	37,958	25,313
456099	REDOAK-26TH TO HIGHLINE	C	64,209	46,949	-	17,260
148014	RIGHT-OF-WAY ACQUISITION	D	998,528	396,664	-	601,864
437099	RIVER BOULEVARD, 18TH STREET	D	5,000	-	-	5,000
370099	SD HWY 42 RECONSTRUCTION	C	542	-	542	-
399099	SD100 AND ARROWHEAD PARKWAY	I	308,015	3,000	48,085	256,930
453099	SDDOT PROJECT COORDINATION	I	1,546,821	815,256	556,351	175,214
417099	SERTOMA AVENUE CONSTRUCTION	D	114,448	33,402	48,814	32,232
448099	SOLBERG AVENUE & I-229 OVERPASS	D	485,090	165,128	292,917	27,045
425099	SOUTHEASTERN AVENUE, 18TH	D	89,209	9,329	68,056	11,825
319099	SOUTHEASTERN AVENUE, 49TH	C	49,622	49,610	-	12
151014	TRAFFIC SIGNAL IMPROVEMENTS	I	125,961	55,708	58,724	11,529
149014	VALLEY GUTTERS, CURB & GUTTER	I	285,533	172,694	104,598	8,240

Status Codes: N - Not Started B - In Bid Process S - Contract Signed D - In Design I - In Construction C - Complete

City of Sioux Falls
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Capital Program - Capital Improvements Program Projects Summary

Project #	Project Description	Project Status	Current Budget	Expensed	Encumbered	Balance
Fire						
017015	CONSTRUCTION OF FIRE STATION #11	N	60,000	-	-	60,000
023015	REMODEL FIRE STATION #5	I	1,789,376	212,962	1,561,754	14,660
Central Services						
010016	EMERGENCY OPERATION CENTER	N	35,000	-	-	35,000
Health						
004018	CITY/COUNTY HEALTH & HUMAN SERVICES BUILDING	I	104,048	43,142	6,507	54,398
Police						
025021	TACTICAL FIREARMS TRAINING CENTER	N	29,000	-	-	29,000
Planning & Building Services						
112025	DOWNTOWN HISTORIC REVITALIZATION	I	400,000	172,096	-	227,904
114025	LAND ACQUISITION ROW DEVELOPMENT	C	5,777	-	-	5,777
115025	PHILLIPS AVE VISUAL ART	I	50,000	12,500	37,500	-
113025	SCULPTURE WALK	I	25,750	15,000	-	10,750
Library						
010028	CAILLE BRANCH LIBRARY IMPROVEMENTS	I	118,500	115,970	1,294	1,236
004028	MAIN LIBRARY RENOVATION AND EXPANSION	I	12,098,376	2,043,588	7,483,942	2,570,847
Street						
198099	CONCRETE PAVEMENT RESTORATION	I	837,210	271,847	482,923	82,441
019033	DOMAR STRUCTURES	D	245,000	-	-	245,000
018033	EQUIPMENT STORAGE BUILDING	N	25,000	-	-	25,000
021033	OVERLAY & SEAL COATING PROGRAM ASPHALT STREETS	I	7,839,115	5,833,781	1,920,845	84,489
020033	SATELLITE STREET FACILITY	N	50,000	-	-	50,000
Fleet						
013051	FLEET/STREET DIVISIONS SECURITY IMPROVEMENTS	N	-	-	-	-
017051	FUELING DEPOTS	I	125,000	1,400	111,321	12,280
Electric Light						
061056	CIRCUIT IMPROVEMENTS	I	1,106,950	55,592	20,800	1,030,558
059056	DOWNTOWN HIGH VOLTAGE POWER LINES	D	310,000	92,425	-	217,575
053056	ELM STREET SUBSTATION IMPROVEMENTS	I	36,850	33,223	1,627	2,000
002056	STREET LIGHTING IN NEWLY DEVELOPED AREAS	I	404,224	195,816	58,570	149,838
068056	UNFORSEEN ELECTRICAL SYSTEM REPLACEMENT	I	150,000	84,486	-	65,514
Parks & Recreation						
079064	ARROWHEAD PARK	C	216,300	172,443	29,410	14,447
151064	BAKKER PARK RENOVATION	I	66,670	25,630	37,041	3,999
204064	BIKE TRAIL STATION POINTS	N	55,000	-	-	55,000
207064	CHERAPA LANDSCAPING	C	11,413	11,413	-	-
186064	DAWLEY PARK DEVELOPMENT	C	144,530	144,530	-	-
187064	DRAKE SPRINGS SWIMMING POOL	I	4,635,751	1,078,148	3,490,441	67,162
206064	ELMEN PARK TRAIL HEAD	I	749,400	253,654	390,310	105,436
127064	ELMWOOD PARK IMPROVEMENTS	D	65,317	4,490	40,410	20,417
010064	FALLS PARK DEVELOPMENT	I	1,362,498	23,220	1,264,457	74,821
082064	FAWICK PARK IMPROVEMENTS	D	42,440	-	25,000	17,440
066064	FRANK OLSON PARK	C	199,500	84,508	110,498	4,494
193064	GP ZOO IMPROVEMENTS-PH 1	D	1,139,092	-	67,450	1,071,642
191064	GP ZOO MASTER PLAN DEVELOPMENT	C	804	-	803	1
208064	GRANITE VALLEY PARK	C	190,092	190,092	-	-
003064	GREAT BEAR PARK DEVELOPMENT	I	161,925	17,600	114,333	29,992
139064	GREAT PLAINS ZOO ASIAN CAT EXHIBIT	C	8,488	7,268	-	1,220
136064	GREAT PLAINS ZOO WATERFOWL EXHIBIT	N	12,225	-	12,225	-
126064	GREEN HILLS PARK DEVELOPMENT	B	289,520	1,750	24,262	263,508
038064	HARMODON PARK	C	2,978,906	2,134,338	401,415	443,153
180064	JEFFERSON PARK IMPROVEMENTS	N	23,000	-	-	23,000
153064	JUDEE ESTATES DEVELOPMENT	D	16,200	1,291	14,909	-
057064	KUEHN PARK IMPROVEMENTS	I	188,850	36,315	150,632	1,903
092064	LEGACY PARK	C	118,217	61,333	37,940	18,944

Status Codes: N - Not Started B - In Bid Process S - Contract Signed D - In Design I - In Construction C - Complete

City of Sioux Falls
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Capital Program - Capital Improvements Program Projects Summary

Project #	Project Description	Project Status	Current Budget	Expensed	Encumbered	Balance
093064	MARION ROAD PARK IMPROVEMENTS	I	47,100	101	46,673	326
155064	MCCART FIELDS IMPROVEMENT	D	67,100	2,450	58,450	6,200
015064	MCKENNAN PARK RENOVATION	C	611,713	508,275	54,218	49,220
211064	NE BRANDON PARK/SCHOOL SITE	I	1,174,250	871,710	-	302,540
210064	NW S F PARK/SCHOOL SITE	S	350,000	-	-	350,000
163064	OAK VIEW PARK DEVELOPMENT	C	250	250	-	-
190064	PARK LAND ACQUISITION	D	251,970	-	-	251,970
178064	PARK ROADS AND PARKING LOTS	I	618,118	341,408	203,089	73,621
198064	PLAYCOURT CYCLIC RECONSTRUCTION	I	69,500	8,800	60,124	576
113064	PRAIRIE MEADOWS PARK	D	278,250	112,173	117,330	48,747
013064	RECREATIONAL TRAIL DEVELOPMENT	D	2,842,455	1,458,614	75,573	1,308,268
189064	RIVER GREENWAY IMPROVEMENTS	D	528,482	36,912	66,570	425,000
116064	ROTARY PARK IMPROVEMENTS	C	106,530	86,977	14,209	5,344
008064	SERTOMA PARK DEVELOPMENT	I	195,140	41,482	140,118	13,540
019064	SHERMAN PARK IMPROVEMENTS	I	987,361	203,551	647,100	136,710
142064	SPENCER PARK DEVELOPMENT	C	5,290	3,901	1,389	-
209064	SW S F PARK/SCHOOL SITE	S	730,260	-	729,782	478
014064	SYSTEMATIC RECONSTRUCTION OF BIKE TRAIL	I	130,732	2,932	63,827	63,973
011064	TERRACE PARK DEVELOPMENT	N	70,000	-	-	70,000
205064	TERRACE PARK MIRACLE FIELD	C	236	-	-	236
165064	THELIN PARK DEVELOPMENT	B	280,218	16,797	23,621	239,800
147064	TOMAR PARK IMPROVEMENTS	I	92,800	7,205	81,572	4,023
067064	TUTHILL PARK DEVELOPMENT	I	660,960	167,900	487,050	6,010
141064	YANKTON TRAIL PARK DEVELOPMENT	C	317,410	292,538	19,974	4,899

Public Parking

041065	PARKING LOT AND RAMP IMPROVEMENTS	N	27,250	-	-	27,250
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Sanitary Landfill

002366	LAND ACQUISITION	D	357,298	-	-	357,298
034066	LANDFILL CLOSURE PRE-SUBTITLE D AREA	I	744,862	22,946	24,614	697,302
002066	LANDFILL EXPANSION	I	2,513,573	598,929	456,732	1,457,912
045066	LANDFILL GAS SYSTEM - POST SUBTITLE D AREA	N	75,000	-	-	75,000
043066	LANDFILL GAS UTILIZATION	S	4,750,000	1,569,440	2,988,883	191,677
028066	LEACHATE MANAGEMENT SYSTEM	I	197,040	121,919	-	75,121
044066	LEACHATE POND #2 & #3	N	100,000	-	-	100,000
040166	LEACHATE RECIRCULATION INFRASTRUCTURE	N	51,500	-	-	51,500
035066	PRE-SUBTITLE D AREA LANDFILL	I	582,869	405,247	153,252	24,370
038066	PUBLIC DROP OFF AREA	C	89,735	-	-	89,735
046066	SANITARY LANDFILL PERIMETER FENCING	I	89,500	-	-	89,500
040066	SEDIMENTATION POND AND WETLANDS	D	277,000	10,361	14,639	252,000

Washington Pavilion

027069	COLD WEATHER COMPRESSOR/COOLING COIL	C	1,000	-	-	1,000
034069	ELECTRONIC SIGN REPLACEMENT	I	16,700	-	16,670	30
029069	EXTERIOR BUILDING DOORS REPLACEMENT	D	50,000	-	7,500	42,500
022069	FOURTH FLOOR OFFICE SPACE	C	83,048	82,806	-	242
030069	GREAT HALL AMPLIFIER ROOM	D	47,353	-	1,375	45,978
026069	HVAC SYSTEM IN ART STORAGE	I	218,745	-	185,750	32,995
028069	STAIRCASE TILING	C	30,137	28,962	-	1,175
010869	WINDOWS ON NORTH, SOUTH, WEST SIDES	D	581,529	48,617	12,336	520,577

Storm Drainage

213072	13TH ST & KIWANIS AVE DRAINAGE	D	14,819	4,805	5,195	4,819
210072	30TH ST & COVELL AVE DRAINAGE	I	1,851,005	794,909	1,043,189	12,907
212072	33RD ST & DULUTH AVE DRAINAGE	C	9,278	-	9,278	-
196072	CANDLELIGHT ACRES DETENTION POND	C	2,500	-	2,500	-
241072	DRAINAGE IMPROVEMENTS IN DEVELOPING AREAS	D	5,004,089	2,936,786	407,744	1,659,559
198072	GALWAY PARK DETENTION POND	C	2,500	-	2,500	-
037072	I-29 RR AND MARION ROAD DRAINAGE	D	617,000	-	-	617,000
222072	LARKSPUR TRAIL DRAINAGE IMPROVEMENTS	I	11,521	5,139	6,382	0
214072	NON POINT SOURCE BANK STABILIZATION	I	1,027,989	11,242	203,985	812,762
206072	PAM ROAD DRAINAGE IMPROVEMENTS	C	266	-	265	1
179072	RICE STREET & LOWELL AVENUE DRAINAGE	D	230,000	-	-	230,000
197072	SIOUX EMPIRE DEV DETENTION	C	1,750	-	1,750	-
193072	STORM DRAINAGE IMPROVEMENTS	C	2,500	-	-	2,500
242072	SUMP PUMP COLLECTION SYSTEM	I	315,000	280,077	1,945	32,978
221072	TUTHILL PARK DRAINAGE IMPROVEMENTS	I	275,000	51,508	211,377	12,115
177072	UPDATE EXISTING FLOOD CONTROL	D	585,000	-	-	585,000

Status Codes: N - Not Started B - In Bid Process S - Contract Signed D - In Design I - In Construction C - Complete

City of Sioux Falls
 Monthly Financial Report
 September 30, 2008

Capital Program - Capital Improvements Program Projects Summary

Project #	Project Description	Project Status	Current Budget	Expensed	Encumbered	Balance
Water						
164075	AIR BASE AREA WATER MAIN	I	550,000	349,611	181,515	18,874
177075	LAND ACQUISITION	C	1,502,000	250,000	-	1,252,000
060075	LEWIS & CLARK RURAL WATER	D	20,915,548	10,340,638	6	10,574,904
145075	NORTH DRIVE WATER MAIN INSTALLATION	C	122,445	76,131	2,096	44,218
174075	OTHER MAINS-UNFORESEEN WATER	I	352,177	275,795	74,832	1,549
162075	VALVE REPLACEMENT PROGRAM	I	33,690	33,690	-	-
184075	WATER COLLECTION WELL IMPROVEMENTS	I	2,320,693	177,611	2,109,040	34,042
168075	WATER PLANT SCADA IMP--II	I	548,155	143,588	403,995	572
170075	WATER PURIFICATION PLANT FILTER UPGRADE	D	15,000,000	149,165	678,235	14,172,600
175075	WATER PURIFICATION PLANT BACKWASH BASIN	D	1,098,100	137,127	210,503	750,470
154075	WATER SYSTEM SECURITY ENHANCEMENTS	C	-	-	-	-
182075	WATER TREATMENT PLANT BACKWASH STORAGE	I	77,766	15,372	59,864	2,531
089075	WATER TREATMENT PLANT TO NORTH	C	700	-	-	700
153075	WESTERN HEIGHTS WATER MAIN	I	2,088,763	284,784	1,746,093	57,887
Water Reclamation						
077077	9TH & KIWANIS LIFT STATION	C	246,450	238,890	7,559	1
116077	BASIN #13 TRUNK SEWER	I	3,637,426	378,312	1,517,901	1,741,213
125077	BRANDON ROAD PUMPING STATION	I	1,372,341	1,271,375	33,699	67,267
001077	CENTRAL MAIN INTERCEPTOR	D	3,925,440	207,361	1,542,989	2,175,090
140077	EAST SIDE FUTURE INTERCEPTOR	D	10,000	-	-	10,000
025077	EAST SIDE SANITARY SEWER	D	4,391,320	165,931	177,088	4,048,301
137077	EAST SIDE SANITARY SEWER - PHASE 2	N	722,000	-	-	722,000
143077	EAST SIDE SANITARY SEWER WASTEWATER FACILITY	D	50,000	-	-	50,000
107077	I-229 & LOUISE AVENUE INTERCHANGE	C	153,197	41,900	-	111,297
078077	LIFT STATION #224 IMPROVEMENTS	I	369,709	133,058	-	236,651
142077	ODOR CONTROL COLLECTION SYSTEM	C	-	-	-	-
193088	ODOR CONTROL COLLECTION SYSTEM	C	8,093	-	8,093	-
112077	PIPE LINING PROJECT	C	89,691	-	-	89,691
141077	SANITARY SEWERS - OTHER MAINS	I	548,864	371,825	101,684	75,354
064077	SCADA FOR THE WATER RECLAMATION FACILITY	I	234,193	29,634	41,748	162,812
126077	WASTEWATER FACILITIES PLAN	I	38,494	2,505	4,939	31,050
118077	WATER RECLAMATION FACILITY HVAC UPGRADE	D	50,000	-	45,000	5,000
136077	WATER RECLAMATION FACILITY FLOW EQUILIZATION BASIN	D	65,300	-	-	65,300
139077	WATER RECLAMATION FACILITY PROCESS PUMPING STATIC	I	2,080,000	135,127	742,245	1,202,628
133077	WEST SIDE FUTURE INTERCEPTOR	D	653,898	12,570	-	641,328
134077	WESTERN INTERCEPTOR SANITARY SEWER	D	20,602	16,779	-	3,823
			\$ 191,079,151	\$ 59,641,368	\$ 51,067,115	\$ 80,370,668

Status Codes: N - Not Started B - In Bid Process S - Contract Signed D - In Design I - In Construction C - Complete

City of Sioux Falls
 Monthly Financial Report
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Capital Program - 2008 Other Capital Expenditures Program Fund, Department, and Projects Summary

	Item No. & Description	Current Budget	Expensed	Encumbered	Balance
General Fund					
Police	05-01 Digital Cameras	\$ 45,000	\$ -	\$ -	\$ 45,000
Total General Fund		\$ 45,000	\$ -	\$ -	\$ 45,000
Sales/Use Tax Fund					
Arena	07-01 Folding Chairs	\$ 15,000	\$ 14,747	\$ -	\$ 253
	07-02 Hockey Ice Dam	12,000	-	-	12,000
	08-01 Identification System/Card Reader	105,000	-	-	105,000
	08-02 Portable Basketball System (Deleted per Res. 138-08)	-	-	-	-
	08-03 Portable Basketball System (Deleted per Res. 138-08)	-	-	-	-
	08-04 Utility Vehicle	16,000	13,393	-	2,607
	08-05 Pickup (Res. 138-08)	35,000	-	-	35,000
	Total	183,000	28,140	-	154,860
Fire	07-01 Wireless Network	324,901	71,832	-	253,069
	07-04 Van	16,231	16,361	-	(130)
	07-05 Fire Truck	3,885	3,885	-	-
	07-06 Rescue Equipment	5,000	5,425	-	(425)
	08-01 Sedan	14,400	15,564	-	(1,164)
	08-02 Pickup	29,000	23,226	4,946	828
	08-03 Suburban	35,200	27,281	-	7,919
	08-04 Fire Truck	661,000	-	651,117	9,883
	08-05 Truck	25,900	24,952	-	948
	08-06 Truck	75,400	42,425	4,476	28,499
	08-07 Vehicle Attachment (Service Body)	13,000	-	18,797	(5,797)
	08-08 Vehicle Attachment (Trailer for USAR 8)	26,000	-	31,817	(5,817)
	Total	1,229,917	230,951	711,152	287,814
Central Services	07-01 Sirens (2)	5,000	5,000	-	-
	08-01 Sirens (2)	60,900	49,647	-	11,253
	08-02 Storage Area Network	30,000	-	-	30,000
	Total	95,900	54,647	-	41,253
Health	07-01 Analyzer MIRA/Immunoassay	3,500	3,500	-	-
	07-10 Sedan	16,231	16,361	-	(130)
	07-11 Van	16,231	16,361	-	(130)
	07-12 Server System	25,000	18,947	-	6,053
	08-01 ULV	12,500	-	-	12,500
	08-02 Sedan	14,400	-	-	14,400
	Total	87,862	55,169	-	32,693
Police	06-24 Wireless Communications	158,500	20,411	-	138,089
	07-02 Wireless Network	350,000	-	-	350,000
	07-03 Digital In-Car Video Cameras (61)	490,514	480,613	-	9,901
	07-31 Aerial work platform lift (Res. 176-07)	12,618	13,018	-	(400)
	08-01 Shelving	38,352	-	-	38,352
	08-02 - 08-03 Sedan (2)	28,800	31,678	-	(2,878)
	08-04 3/4 Ton Pickup	24,900	21,748	-	3,152
	08-05 - 08-06 Motorcycle (2)	36,000	35,600	-	400
	08-07 Trailer	14,000	8,149	-	5,852
	08-08 - 08-23 Patrol Auto (16)	395,200	147,263	-	247,938
	08-24 Vehicle Attachment (Animal Control Box)	12,000	14,750	-	(2,750)
	08-25 Vehicle Attachment (Animal Control Box) (Res. 43-08)	-	14,750	-	(14,750)
	08-26 Truck (Res. 43-08)	-	21,748	-	(21,748)
	08-27 Digital Imaging Management System (Res. 138-08)	-	-	-	-
	Total	1,560,884	809,727	-	751,157
Media Services	06-01 Monitor	9,729	-	-	9,729
	08-01 Editing Systems (2)	29,500	29,540	-	(40)
	08-02 Infochannel System	10,000	-	-	10,000
	Total	49,229	29,540	-	19,689
Planning/Building Services	08-01 - 08-04 Pickup (4)	51,600	51,412	-	188
	08-05 Scanner/Plotter	29,600	-	-	29,600
	Total	81,200	51,412	-	29,788
Library	07-01 Shelving	29,886	29,886	-	-
	07-02 Library Prints & Audio Visual	24,087	24,087	-	-
	08-01 Library Print & Audio Visual Materials	540,000	397,271	129,529	13,199
	08-02 - 08-04 Workstation Bookcheck in-counter	30,000	29,673	-	327
	08-05 Bookmobile	15,700	15,716	-	(16)
	Trf to CIP 010028 - 06/12/08	(5,000)	-	-	(5,000)
	Total	634,673	496,633	129,529	8,510

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Capital Program - 2008 Other Capital Expenditures Program Fund, Department, and Projects Summary

	Item No. & Description	Current Budget	Expensed	Encumbered	Balance
Street	07-02 Trailer	15,925	7,510	-	8,415
	07-03 Skid Steer Loader	19,000	19,032	-	(32)
	08-01 Storage Tank	42,000	-	-	42,000
	Total	76,925	26,542	-	50,383
General Government	06-01 Radio Network	18,000	8,600	-	9,400
	Total	18,000	8,600	-	9,400
Parks & Recreation	06-14 Audio Tour Sound System	50,000	43,588	-	6,412
	08-01 Portable Indoor Play Equipment	20,000	-	-	20,000
	08-02 Laser Power Supply	9,600	-	-	9,600
	08-03 Laser	70,248	-	-	70,248
	08-04 Van	14,700	15,533	-	(833)
	08-05 Pickup	15,400	15,533	-	(133)
	08-06 Stock Trailer	9,000	12,400	-	(3,400)
	08-07 Truck	35,900	29,290	5,852	758
	08-08 Truck Aerial	110,000	-	134,114	(24,114)
	08-09 Utility Vehicle	16,000	23,929	-	(7,929)
	08-10 Snowcat	270,000	236,975	-	33,025
	08-11 Bobcat Toolcat Attachment	15,500	13,625	-	1,875
	08-12 Seeder	15,000	9,910	-	5,090
	08-13 Mower	14,700	11,950	-	2,750
	08-14 Mower	41,200	36,540	-	4,660
	08-15 Mower	14,700	11,950	-	2,750
	08-16 - 08-17 Mower (2)	82,400	73,080	-	9,320
	08-18 - 08-19 Mower (2)	29,400	23,900	-	5,500
	08-20 Mower	41,200	36,540	-	4,660
	08-21 Air Compressor	15,000	16,797	-	(1,797)
	08-22 - 08-23 Snowmaker Wizard Gun	56,000	-	45,000	11,000
	Total	945,948	611,540	184,966	149,442
Transit	07-10- 07-18 Heavy Duty Transit Coach (20%) (9)	519,396	-	-	519,396
	08-01- 08-08 Heavy Duty Transit Coach (20%) (8)	464,000	-	-	464,000
	Total	983,396	-	-	983,396
Total Sales/Use Tax Fund		\$ 5,946,934	\$ 2,402,904	\$ 1,025,648	\$ 2,518,384
Entertainment Tax Fund					
Convention Center	08-01 Identification System/Card Reader (Deleted per Res. 43-08)	\$ -	\$ -	\$ -	\$ -
	08-02 Portable Dance Floor (Deleted per Res. 43-08)	-	-	-	-
	08-03 Portable Dance Floor	12,500	13,316	-	(816)
	08-04 Floor Scrubber (Res. 43-08)	35,000	13,373	-	21,627
	08-05 Network Upgrade (Res. 43-08)	52,500	2,467	44,216	5,817
	08-06 Room Risers (Res. 138-08)	-	-	-	-
	Total	100,000	29,156	44,216	26,628
Washington Pavilion	06-01 Public Address Sound System	12,526	-	-	12,526
	07-01 Science Exhibit Development	215,426	215,426	-	-
	08-01 Printer	25,000	-	-	25,000
	08-02 Cold Laminator	12,000	-	-	12,000
	08-03 Science Exhibit Development	357,265	312,498	44,766	1
Total	622,217	527,924	44,766	49,527	
Total Entertainment Tax Fund		\$ 722,217	\$ 557,080	\$ 88,982	\$ 76,155
Transit Fund					
Transit	05-01 GPS (80%)	\$ 1,093	\$ 874	\$ -	\$ 219
	07-10 - 07-18 Heavy Duty Transit Coach (80%) (9)	2,074,919	-	-	2,074,919
	08-01 - 08-08 Heavy Duty Transit Coach (80%) (8)	1,856,000	-	-	1,856,000
Total Transit Fund	\$ 3,932,012	\$ 874	\$ -	\$ 3,931,138	
Electric Light Fund					
Electric Light	08-01 Phone System	\$ 8,000	\$ -	\$ -	\$ 8,000
	08-02 Light Meters	200,000	-	-	200,000
Total Electric Light Fund	\$ 208,000	\$ -	\$ -	\$ 208,000	
Public Parking Fund					
Public Parking	08-01 - 08-02 Sedan (2)	\$ 28,800	\$ -	\$ -	\$ 28,800
Total Public Parking Fund		\$ 28,800	\$ -	\$ -	\$ 28,800
Sanitary Landfill Fund					
Sanitary Landfill	08-01 GPS Base Unit	\$ 46,675	\$ -	\$ -	\$ 46,675
	08-02 Trash Pump	14,000	12,370	-	1,630
Total Sanitary Landfill Fund		\$ 60,675	\$ 12,370	\$ -	\$ 48,305

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Capital Program - 2008 Other Capital Expenditures Program Fund, Department, and Projects Summary

	<u>Item No. & Description</u>	<u>Current Budget</u>	<u>Expensed</u>	<u>Encumbered</u>	<u>Balance</u>
Water Fund					
Water	07-01 Water Sampler Tester System	\$ 34,769	\$ 34,739	\$ -	\$ 30
	08-01 Wachs Valve Operator	13,000	-	-	13,000
	08-02 Remittance Processing System	75,000	-	-	75,000
	08-03 Phone System	12,000	-	-	12,000
	08-04 AMR Data Collection Grid	671,598	-	-	671,598
	08-05 Water Meter	259,661	566,372	-	(306,711)
	08-06 Lime Slaker	68,000	74,600	-	(6,600)
	08-07 EQA Draw System	30,000	13,600	-	16,400
Total Water Fund		\$ 1,164,028	\$ 689,312	\$ -	\$ 474,716
Water Reclamation Fund					
Water Reclamation	05-01 Microwave	\$ 22,650	\$ -	\$ -	\$ 22,650
	07-02 Gas Compressor	33,400	-	-	33,400
	07-03 - 07-06 Sludge Grinder (4)	60,000	-	-	60,000
	07-07 Pumping Equipment	85,000	-	-	85,000
	08-01 Mower	15,000	16,047	-	(1,047)
Total Water Reclamation Fund		\$ 216,050	\$ 16,047	\$ -	\$ 200,003
Fleet Revolving Fund					
Fleet Maintenance Revolving	06-25 Snow Blower	\$ 30,000	\$ -	\$ -	\$ 30,000
	07-13 Truck w/Aerial Lift Device	102,000	-	81,611	20,389
	07-15 Truck w/Aerial Lift Device	95,000	-	81,611	13,389
	07-16 - 07-17 Sander (2)	15,250	15,250	-	-
	07-18 Truck	21,614	-	-	21,614
	07-23 Truck Jetter Vacuum	253,973	253,973	-	-
	07-27 Street Sweeper	144,391	144,391	-	-
	08-01 Sedan	14,400	15,564	-	(1,164)
	08-02 Van	14,400	15,716	-	(1,316)
	08-03 Pickup	20,000	19,638	-	362
	08-04 - 08-06 Pickup (3)	40,500	38,559	-	1,941
	08-07 - 08-09 Pickup (3)	55,500	53,691	-	1,809
	08-10 Pickup	34,500	34,887	-	(387)
	08-11 Pickup	16,000	13,538	-	2,462
	08-12 - 08-13 Pickup (2)	30,800	27,076	-	3,724
	08-14 Pickup	29,900	30,680	-	(780)
	08-15 Pickup	18,500	17,897	-	603
	08-16 Pickup	15,400	13,538	-	1,862
	08-17 Pickup	22,700	-	-	22,700
	08-18 Truck	34,500	34,887	-	(387)
	08-19 Truck	34,500	-	-	34,500
	08-20 Truck w/Utility Box	150,000	-	-	150,000
	08-21 Dump Truck TA	138,000	132,170	2,600	3,230
	08-22 Dump Truck TA	95,000	132,170	2,600	(39,770)
	08-23 Truck w/Sander SA	118,000	110,760	-	7,240
	08-24 Van TV & Joint Seal	195,000	-	-	195,000
	08-25 Spin Doctor	20,500	20,563	-	(63)
	08-26 Street Sweeper	138,000	144,391	-	(6,391)
	08-27 Skid Loader	20,000	22,689	-	(2,689)
	08-28 Front End Loader	145,000	111,314	-	33,686
	08-29 Dozer	700,000	-	-	700,000
	08-30 Excavator	425,000	-	-	425,000
	08-31 Compactor Cat	750,000	-	-	750,000
	08-32 Snowblower	97,000	-	-	97,000
	08-33 Mini Excavator	-	47,400	-	(47,400)
	08-34 Asphalt Machine	-	-	92,225	(92,225)
	08-35 Flusher Truck	-	111,549	-	(111,549)
	08-36 Gasboy Equipment (Res. 138-08)	38,000	-	35,713	2,287
	Trf to CIP #017051--6/3/08	(20,000)	-	-	(20,000)
Total Fleet Revolving Fund		\$ 4,053,328	\$ 1,562,291	\$ 296,360	\$ 2,194,677
General Services Revolving Fund					
General Services Revolving	06-01 Server	\$ 9,000	\$ 8,999	\$ -	\$ 1
	07-02 Tape Drive	10,000	-	-	10,000
	07-09 Digital Fingerprinting Machine	35,000	-	-	35,000
	08-01 Core Network Switch	177,000	158,013	-	18,987
	08-02 Server	9,000	-	-	9,000
	08-03 Caymas Network Remote Access Device	25,000	-	-	25,000
	08-04 Server	12,500	-	-	12,500
	08-05 Printer/Copier/Scanner	29,600	13,950	-	15,650
	08-06 Phone System	8,000	10,312	-	(2,312)
	08-07 Phone System	9,300	-	-	9,300
Total General Services Revolving Fund		\$ 324,400	\$ 191,274	\$ -	\$ 133,126
Grand Total		\$ 16,701,444	\$ 5,432,150	\$ 1,410,990	\$ 9,858,305

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Total Debt - Outstanding or Authorized

<u>Fund (Repayment Source)</u>	<u>Purpose</u>	<u>Outstanding Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized Not Issued Amount</u>	<u>Issue Amount</u>	<u>Amount Outstanding</u>	<u>Total Outstanding or Authorized</u>	
GOVERNMENTAL								
Revenue Bonds & Notes								
Sales & Use Tax Fund								
Series 2001A Sales Tax	* Public Safety	4.25-5.50%	2010	\$ -	\$10,995,000	\$ 6,105,000	\$ 6,105,000	
Series 2007B Sales Tax	* Library & Parks	4.00-5.00%	2027	-	25,570,000	25,570,000	25,570,000	
Series 2008A Sales Tax	* Urban Revitalization	5.50%	2015	3,965,740	1,034,260	1,034,260	5,000,000	
2005 State Revolving Note CW #20	*** System Improvements	1.50%	2017	-	25,949,349	22,914,130	22,914,130	
2006 State Revolving Note CW #22	* System Improvements	2.50%	2017	-	10,550,000	9,846,705	9,846,705	
Total Sales & Use Tax				<u>3,965,740</u>		<u>65,470,095</u>	<u>69,435,835</u>	
Entertainment Tax Fund								
Series 2001B Ent/Sales Tax	** Entertainment Bonds	3.80-5.50%	2014	-	17,320,000	17,010,000	17,010,000	
Series 2004 Ent/Sales Tax	** Entertainment Bonds	3.00%	2008	-	8,135,000	2,825,000	2,825,000	
Total Ent/Sales Tax				<u>-</u>	<u>-</u>	<u>19,835,000</u>	<u>19,835,000</u>	
Storm Drainage								
2003 State Revolving Note CW #17	System Construction	3.50%	2015	-	561,320	377,875	377,875	
2004 State Revolving Note CW #19	System Construction	2.50%	2016	-	415,785	340,399	340,399	
2008 State Revolving Note CW #27	System Construction	n/a	n/a	2,621,000	-	-	2,621,000	
Total Storm Drainage				<u>2,621,000</u>	<u>-</u>	<u>718,274</u>	<u>3,339,274</u>	
TIF District Construction Series 2008A	Cherapa Place	4.00-5.75%	2028	-	2,275,000	2,275,000	2,275,000	
Obligations Under Capital Lease	City Hall Annex	8.49%	2014	-	1,290,902	656,147	656,147	
Total Debt Governmental Activities				<u>6,586,740</u>		<u>88,954,516</u>	<u>95,541,256</u>	
BUSINESS TYPE								
Revenue Bonds & Notes								
Public Parking Series 2000	8th and Dakota Ramp	4.90-5.60%	2014	-	5,075,000	2,975,000	2,975,000	
Landfill								
2007 State Revolving Note SW #1	Landfill Improvements	2.50%	2014	-	1,800,000	1,800,000	1,800,000	
2007 State Revolving Note CW #24	Landfill Improvements	2.50%	2016	-	500,000	500,000	500,000	
Obligations Under Lease Purchase	Scrapers	5.25%	2012	-	1,528,108	1,293,093	1,293,093	
Obligations Under Lease Purchase	Dozer	Information unavailable at this time			-	-	-	-
Total Landfill				<u>-</u>	<u>-</u>	<u>3,593,093</u>	<u>3,593,093</u>	
Water								
Series 2007A Sales Tax	* Lewis & Clark Prepay	3.75-5.00%	2036	-	70,000,000	70,000,000	70,000,000	
1999 State Revolving Note DW #1	System Improvements	4.50%	2010	-	6,496,745	1,545,646	1,545,646	
2001 State Revolving Note DW #2	System Improvements	4.50%	2013	-	2,348,168	1,187,139	1,187,139	
2002 State Revolving Note DW #3	System Improvements	3.50%	2014	-	7,930,000	4,868,174	4,868,174	
2003 State Revolving Note DW #4	System Improvements	3.50%	2015	-	279,599	192,363	192,363	
2004 State Revolving Note DW #5	System Improvements	2.50%	2016	2,232,314	10,516,686	8,990,546	11,222,860	
2008 State Revolving Note DW #6	System Improvements	2.50%	2020	17,655,948	192,052	192,052	17,848,000	
2008 State Revolving Note DW #7	System Improvements	2.50%	2020	2,032,127	167,873	167,873	2,200,000	
2008 State Revolving Note DW #8	System Improvements	2.50%	2019	2,192,644	512,956	512,956	2,705,600	
Total Water				<u>24,113,033</u>	<u>10,516,686</u>	<u>87,656,749</u>	<u>111,769,782</u>	
Water Reclamation								
1990 State Revolving Note CW #1	* System Improvements	3.00%	2012	-	2,836,963	682,872	682,872	
1997 State Revolving Note CW #13	System Improvements	4.50%	2008	-	2,083,137	-	-	
2000 State Revolving Note CW #14	System Improvements	4.50%	2012	-	4,888,537	2,095,228	2,095,228	
2002 State Revolving Note CW #15	System Improvements	3.50%	2014	-	1,467,706	953,047	953,047	
2003 State Revolving Note CW #16	System Improvements	3.50%	2015	-	2,479,500	1,700,190	1,700,190	
2004 State Revolving Note CW #18	System Improvements	2.50%	2016	220,886	3,730,114	3,152,782	3,373,668	
2005 State Revolving Note CW #21	System Improvements	2.25%	2027	7,307,680	30,069,738	28,675,591	35,983,271	
2006 State Revolving Note CW #23	* System Improvements	2.50%	2018	53,995	10,269,005	10,269,005	10,323,000	
2008 State Revolving Note CW #25	System Improvements	2.50%	2020	4,865,913	791,087	791,087	5,657,000	
2008 State Revolving Note CW #26	System Improvements	n/a	n/a	3,744,000	140,581	140,581	3,884,581	
Total Water Reclamation				<u>16,192,474</u>	<u>10,269,005</u>	<u>48,460,383</u>	<u>64,652,857</u>	
Fleet								
Obligations Under Capital Lease	5 Motor Graders	3.50%	2013	928,111	-	-	928,111	
Total Debt Business-type Activities				<u>41,233,618</u>		<u>142,685,225</u>	<u>183,918,843</u>	
Total Debt				<u>\$ 47,820,358</u>		<u>\$ 231,639,741</u>	<u>\$ 279,460,099</u>	
Special Assessment (Not an Obligation of the City)								
2007 Bond Anticipation Notes	Interim Financing - Streets	4.50%	2009	\$ -	5,449,390	\$ 5,449,390	\$ 5,449,390	

* Secured by pledge of the second (.92%) penny sales and use tax.

** Secured by pledge of the second (.92%) penny sales and use tax and entertainment tax.

*** Secured by pledge of storm drainage revenues.

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Effective Budget/Appropriation Adjustments

Fund	Supplement	Carry-Forward (OCEP)	Carry-Forward (CIP)	Carryovers (OCEP)	Carryovers (CIP)	Budget
APPROPRIATED FUNDS:						
General Fund Original						\$ 110,212,688
Police	\$ 261,216	\$ 45,000	\$ -	\$ -	\$ -	306,216
Planning & Building	10,000	-	-	-	-	10,000
General Fund Adjusted	271,216	45,000	-	-	-	110,528,904
Entertainment Tax Original						6,295,778
Washington Pavilion	-	12,526	119,482	215,426	112,148	459,582
Convention Center	200,000	-	-	-	-	200,000
Entertainment Tax Adjusted	200,000	12,526	119,482	215,426	112,148	6,955,360
Sales/Use Tax Original						50,548,877
Attorney	-	-	2,752	-	-	2,752
Facilities Management	-	-	19,449	-	-	19,449
Arena	411,200	27,000	-	-	-	438,200
Engineering	1,300,000	-	5,230,285	-	2,198,203	8,728,488
Fire	469,225	329,901	12,952	20,116	145,479	977,673
Central Services	-	5,000	-	-	-	5,000
Health	-	25,000	75,000	35,962	29,048	165,010
Police	-	999,014	29,000	12,618	-	1,040,632
Media Services	-	9,729	-	-	-	9,729
Planning/Building Services	-	-	316,527	-	-	316,527
Library	-	24,087	-	29,886	1,200	55,173
Street	1,900,000	34,925	22,210	-	4,115	1,961,250
Electric Light	-	-	200,342	-	42,429	242,771
General Government	-	18,000	-	-	-	18,000
Parks & Recreation	2,500,510	6,412	4,667,772	43,588	487,185	7,705,467
Transit	-	519,396	-	-	-	519,396
Storm Drainage	600,000	-	725,620	-	278,319	1,603,939
Sales/Use Tax Adjusted	7,180,935	1,998,464	11,301,909	142,170	3,185,978	74,358,333
Railroad Relocation Original						5,025,000
Adjustments	-	-	4,604,487	-	123,687	4,728,174
Railroad Relocation Adjusted	-	-	4,604,487	-	123,687	9,753,174
Community Development						4,265,800
Adjustments	17,500	-	-	-	-	17,500
Railroad Relocation Adjusted	17,500	-	-	-	-	4,283,300
Transit Original						8,502,817
Adjustments	-	2,074,919	-	1,093	-	2,076,012
Transit Adjusted	-	2,074,919	-	1,093	-	10,578,829
Storm Drainage Original						8,824,796
Adjustments	1,385,000	-	696,893	-	686,338	2,768,231
Storm Drainage Adjusted	1,385,000	-	696,893	-	686,338	11,593,027
Neighborhood Revitalization Original						-
Adjustments	50,000	-	-	-	-	50,000
Neighborhood Revitalization Adjusted	50,000	-	-	-	-	50,000
Library Memorial						10,000
	-	-	-	-	-	10,000
Cottam Memorial						400
	-	-	-	-	-	400
Special Assessment Construction Original						-
Engineering	-	-	5,026,683	-	312,309	5,338,992
Electric Light	-	-	300,000	-	-	300,000
Storm Drainage	-	-	600,000	-	-	600,000
Water	-	-	450,000	-	-	450,000
Water Reclamation	-	-	300,000	-	-	300,000
Special Assessment Construction Adjusted	-	-	6,676,683	-	312,309	6,988,992

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Effective Budget/Appropriation Adjustments

Fund	Supplement	Carry-Forward (OCEP)	Carry-Forward (CIP)	Carryovers (OCEP)	Carryovers (CIP)	Current Budget/Appropriations
T.I.F. Bond Construction Original						400,000
Adjustments	1,202,500	-	-	-	-	1,202,500
T.I.F. Bond Construction Adjusted	1,202,500	-	-	-	-	1,602,500
Sioux Falls Flood Control Original						89,500
Engineering	1,600,000	-	514,339	-	13,873	2,128,212
Electric Light	-	-	85,600	-	-	85,600
Water	-	-	85,750	-	-	85,750
Water Reclamation	-	-	218,300	-	-	218,300
Sioux Falls Flood Control Adjusted	1,600,000	-	903,989	-	13,873	2,607,362
Culture/Recreation Bond Construction Orig.						20,293,506
Library	1,500,000	-	59,021	-	190,623	1,749,644
Parks & Recreation	-	-	1,206,880	-	411,803	1,618,683
Culture/Recreation Bond Construction Adj.	1,500,000	-	1,265,901	-	602,426	23,661,833
NON-APPROPRIATED FUNDS:						
Electric Light Original						6,839,502
Adjustments	-	-	582,443	-	67,316	649,759
Electric Light Adjusted	-	-	582,443	-	67,316	7,489,261
Public Parking	-	-	-	-	-	2,259,570
Sanitary Landfill Original						11,411,089
Adjustments	-	-	3,896,077	-	843,800	4,739,877
Sanitary Landfill Adjusted	-	-	3,896,077	-	843,800	16,150,966
Water Original						67,422,378
Adjustments	-	-	2,307,921	34,769	1,689,607	4,032,297
Water Adjusted	-	-	2,307,921	34,769	1,689,607	71,454,675
Water Reclamation Original						20,541,902
Adjustments	4,944,000	201,050	6,858,494	-	2,488,258	14,491,802
Water Reclamation Adjusted	4,944,000	201,050	6,858,494	-	2,488,258	35,033,704
Fleet Revolving Original						5,547,578
Adjustments	88,000	248,614	-	413,614	-	750,228
Fleet Revolving Adjusted	88,000	248,614	-	413,614	-	6,297,806
Health/Life Benefit	-	-	-	-	-	13,271,318
Workers' Compensation	-	-	-	-	-	745,247
General Services Revolving Original						1,384,250
Adjustments	-	54,000	-	-	-	54,000
General Services Revolving Adjusted	-	54,000	-	-	-	1,438,250
Insurance Liability	-	-	-	-	-	1,255,675
Fiduciary Funds	-	-	-	-	-	17,011,235
Original Budget (All Funds)						362,158,906
Total Adjustments	\$ 18,439,151	\$ 4,634,573	\$ 39,214,279	\$ 807,072	\$ 10,125,740	73,220,815
Total Adjusted Budget (All Funds)						\$ 435,379,721

**City of Sioux Falls
Monthly Financial Report
September 30, 2008**

Budget/Appropriation Adjustments

Effective Supplement Detail:

January	
Ordinance #193-07 - T.I.F. Fund - Bond Issuance	\$ 1,202,500
Ordinance #194-07 - Sales/Use Tax Fund/Parks & Recreation - Horsebarn Sculpture (Donation)	40,000
February	
General Fund/Police - Unanticipated Grants	
Office of Highway Safety	22,649
Bryne Justice Assistance	100,121
High Intensity Drug Traffic Areas (HIDTA)	14,688
State Drug Control	12,895
Federal Forfeiture	2,318
Ordinance #12-08 - Culture/Recreation Bond Construction Fund - Main Library Renovation & Expansion (Bond Proceeds)	1,500,000
March	
General Fund/Police - Unanticipated Grants - State Drug Control	10,000
Resolution #27-08 - Fleet Fund - Amending 2008-2012 CIP (Unreserved Fund Balance)	50,000
Ordinance #26-08 - Water Reclamation Fund - Amending the 2008-2012 CIP (SRF Loans)	3,744,000
Ordinance #27-08 - Storm Drainage Fund - Amending the 2008-2012 CIP (SRF Loans)	1,385,000
April	
General Fund/Police - Unanticipated Grants - Domestic Violence Detective	94,472
Ordinance #33-08 - Entertainment Tax Fund/Convention Center - Amending the 2008-2012 CIP (Unreserved Fund Balance)	200,000
Ordinance #33-08 - Sales/Use Tax Fund/Arena - Amending the 2008-2012 CIP (Unreserved Fund Balance)	411,200
Ordinance #33-08 - Sales/Use Tax Fund/Fire - Amending the 2008-2012 CIP (Unreserved Fund Balance)	469,225
Ordinance #33-08 - Sales/Use Tax Fund/Parks & Recreation - Amending the 2008-2012 CIP (Donation)	16,000
Ordinance #33-08 - Sales/Use Tax Fund/Parks & Recreation - Amending the 2008-2012 CIP (Unreserved Fund Balance)	2,254,510
Ordinance #33-08 - Sales/Use Tax Fund/Public Works/Streets - Amending the 2008-2012 CIP (Unreserved Fund Balance)	1,900,000
Ordinance #33-08 - Sales/Use Tax Fund/Public Works/Engineering - Amending the 2008-2012 CIP (Unreserved Fund Balance)	1,300,000
Ordinance #33-08 - Sales/Use Tax Fund/Public Works/Storm Drainage - Amending the 2008-2012 CIP (Unreserved Fund Balance)	600,000
July	
Ordinance #80-08 - Sales/Use Tax Fund/Parks & Recreation - Amending 2008-2012 CIP (Reimbursement)	80,000
Ordinance #80-08 - Sales/Use Tax Fund/Parks & Recreation - Amending 2008-2012 CIP (Donation)	70,000
Ordinance #80-08 - Sioux Falls Flood Control Fund/Engineering - Funding for right-of-way and easments (unreserved Fund Balance)	1,600,000
Ordinance #80-08 - Neighborhood Revitalization Fund - Funding for incurred expenses (Donation)	50,000
Ordinance #80-08 - General Fund/Planning & Building - Funding for Citi Community Scholar Intern Program (Donation)	10,000
August	
General Fund/Police - Unanticipated Grants - School Resource Officer Overtime	4,073
Ordinance #95-08 - Community Development Fund/Community Development - Reimbursement for one-half of supportive housing for the homeless	17,500
September	
Ordinance #103-08 - Sales/Use Tax Fund/Parks & Recreation - Amending 2008-2012 CIP (Donation)	40,000
Resolution #138-08 - Fleet Revolving Fund - Amending 2008-2012 CIP (Fleet Revolving Fund)	38,000
Resolution #138-08 - Water Reclamation Fund - Amending 2008-2012 CIP (User Fees)	1,200,000
Total Supplements	\$ 18,439,151

Date: 2008-10-27
SIRE Meeting ID: 959
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/1ejhkgZzgqo>
Agenda Item: Not Assigned
Item ID: 40716

The following document(s) are public records obtained from the
City of Sioux Falls.

ACCOUNTS PAYABLE AUDIT

INTERNAL AUDIT REPORT 08-09

INTRODUCTION

This audit was authorized by the City Council as part of the 2008 Annual Audit Program. This is the first internal audit of the accounts payable function.

BACKGROUND

The City of Sioux Falls purchases most of its services and goods using purchase orders. Finance prints all the accounts payable warrants for the City. Warrants are printed weekly. A warrant is a draft issued by the City of Sioux Falls to a payee. It advises any person in possession of the warrant that the City of Sioux Falls will pay to that person, through its bank or financial institution, the amount indicated on the warrant. Essentially, a warrant functions just like a check. These warrants are mailed to the vendors weekly. In special circumstances, the warrants are picked up by City staff for delivery to vendors.

The City uses the HTE software package for its financial records, purchasing, and accounts payable processing. HTE consists of a PI (purchasing/inventory) module and a GMBA (accounting) module. The accounts payable process normally starts outside of Finance. An electronic requisition for goods or service is initiated in the PI module by a department. Once it is approved by the appropriate level of management, the requisition is processed into a purchase order. After the goods or services are delivered or performed, the department receives an invoice or some sort of pay request. The department prints out a receiving report/voucher, attaches the invoice or pay request, and has the receiving report/voucher signed by the appropriate supervisor or manager. The receiving report/voucher is sent to Finance for review and processing. The receiving report/voucher contains the vendor name, purchase order number, general ledger number to be expensed, and a brief description of the goods or service. The deadline for receiving reports/vouchers is Wednesday noon. Accounts payable warrants are printed on Thursday morning every week and mailed the following Monday after the Mayor signs the expenditure approval list.

OBJECTIVES

The objectives of this audit were to determine if:

1. Adequate controls exist over the process of vendor setup, maintenance, and validation.
2. Payments of invoices are remitted in a timely manner.
3. Adequate controls exist over the maintenance and security of blank accounts payable warrants, the printing of warrants, and mailing of warrants.
4. An independent, accurate, and timely reconciliation is performed of the accounts payable bank account and the general ledger.
5. Adequate controls exist to prevent duplicate payments to vendors.
6. Adequate controls exist to prevent payments to incorrect vendors.
7. System access capabilities are commensurate with employee job duties.

We also performed specific fraud testing on a sample of accounts payable warrants as part of our responsibility as internal auditors to consider the possibility of fraud. The results of our fraud testing are summarized on page five of this report.

SCOPE AND METHODOLOGY

The audit focused on policies and procedures as they currently exist and testing of accounts payable disbursements from January through June 2008. We did not include purchases made by the use of City credit cards. These cards are also known as procurement cards or p-cards. P-cards are used by the City to make relatively small dollars purchases. The p-card program will be audited in subsequent years. Our methodology involved gaining an understanding of the process and associated risks and controls. We documented our understanding through narratives, flow charts, and matrices. We then gathered evidence to determine if the controls were effective. We interviewed staff and management, reviewed financial records, and tested transactions. For certain audit objectives, we used judgmental sampling of transactions to improve audit efficiency. For other audit objectives, we used statistical sampling. We used statistical sampling in order to infer the conclusions of test work performed on a sample to the overall population from which it was drawn. We also researched best practices in accounts payable management and fraud prevention as it relates to the accounts payable function.

RESULTS INCLUDING AUDIT FINDINGS AND RECOMMENDATIONS

We determined that for most audit objectives, adequate controls exist to provide reasonable assurance that the accounts payable process is properly controlled. We did have several audit findings regarding the vendor master file. We noted that there is currently no use of Positive Pay in the accounts payable bank account. We have recommendations to address the audit findings and two recommendations that do not address audit findings but present opportunities for improvement.

OBJECTIVE ONE: VENDOR SETUP, MAINTENANCE, AND VALIDATION

The master vendor file is an electronic database that contains the vital information about the City's vendors. Finance sets up and maintains the master vendor file for all City departments although information about new vendors or changes to existing vendors often begins in departments other than Finance. The master vendor file has information on the vendor name, address, phone number, fax number, email, contact person, and taxpayer identification number (TIN). Management limits the number of Finance staff that can setup and maintain vendors to a primary and a backup person.

AUDIT FINDING ONE

The master vendor file needs to be cleaned up. We observed many vendors with inaccurate (old) addresses. There also appears to be thousands of vendors with an active status that have had no activity for years. The effect of this is that accounts payable warrants could go to the wrong address, delaying payment. Thousands of vendors in the

file with no recent activity muddle the master file. By not reviewing and purging the file on a regular basis, the opportunity for fraud increases. A clever but dishonest employee could present an invoice from a vendor who has not had any activity for quite some time and possibly get it paid. Periodically reviewing and purging the master vendor file is a good business practice.

Recommendation one: We recommend that management seek the assistance of the Information Technology department to determine if vendors with no activity in X number of years can be inactivated on an automatic basis. Ideally, City staff should take the time to periodically review vendor addresses to determine if they are still correct. However, we realize this may require too much time to be practical. We noticed that there is a system issue with the HTE software system that relates to this audit finding. The receiving reports/vouchers have only one line showing the vendor name and nothing else. The Finance staff processing the receiving reports/vouchers can not easily compare the remittance address on the attached invoice with the address in the master vendor file. See the Conclusion section of this report on page seven.

AUDIT FINDING TWO

There is no supervisory review of changes to the master vendor file.

It is an important control that changes to the master vendor file are reviewed by a senior-level employee for odd looking entries. By not reviewing changes, the opportunity for fraud is increased.

Recommendation two: We recommend that management work with the IT department to determine what kind of audit trail can be created for vendor changes. Ideally, a senior-level employee in Finance could run a report on a regular basis. However, in discussing this issue with management, we became aware that this also could be a system issue with the HTE software. There may not be an easy way to create an accurate audit trail. See the Conclusion section of this report on page seven.

AUDIT FINDING THREE

There is no supervisory review and approval of adding new vendors to the master vendor file. This is a control weakness that could result in fraudulent vendors being added to the master vendor file.

Recommendation three: We recommend that management consider developing a vendor verification process, with supervisory approval, before new vendors are added. This process could involve a Finance employee calling the vendor to confirm the correct vendor name and the correct remittance address. The IRS website has a taxpayer identification number (TIN) service so that the TIN could be verified. A supervisor should ensure that this process has been done and that the vendor appears to be legitimate before a vendor is added to the City's master vendor file. In our discussions with management about this finding, there was an issue at present with the volume of vendors being added to the file. The City is adding all of the p-card (credit card) vendors to the master vendor file. This is currently creating a large volume of vendors to be added each week. However, we believe that a key control of the master vendor file is dependent

upon supervisory approval of additions to the file. This approval should include a verification of the new vendor.

OBJECTIVE TWO: INVOICE REMITTED IN TIMELY MANNER

We selected a statistically valid sample of accounts payable transactions. We calculated the average time to pay the invoice based upon the date of the invoice to the date of our accounts payable warrant. The average time to pay was 19 days. Standard business practice is to pay invoices within 30 days or sooner. We concluded that payments on invoices are remitted in a timely manner.

OBJECTIVE THREE: MAINTENANCE AND SECURITY OVER BLANK WARRANTS

We concluded that adequate controls exist over the maintenance and security of blank accounts payable warrants, the printing of the warrants, and mailing of warrants.

OBJECTIVE FOUR: BANK RECONCILIATION

Performing a regular reconciliation of the accounts payable bank account and the general ledger is an important control in the accounts payable process to detect errors and irregularities. This reconciliation should be performed by a person not otherwise involved with the accounts payable process. The reconciliation should be reviewed by an accounting supervisor to verify it was properly done. We verified that Finance is performing an independent, accurate, and timely reconciliation. An accounting supervisor is reviewing the reconciliation to see that it was properly done.

AUDIT FINDING FOUR

The City does not use *positive pay* with the accounts payable bank account. Positive pay is a fraud prevention tool available from most banks. With positive pay, a bank compares checks that it receives for payment against an electronic record of the checks issued by the organization. If the amount, payee, and bank account do not match exactly, the bank calls the organization about a possible fraudulent check.

The Government Finance Officers Association (GFOA) advocates use of positive pay by governments as the single best fraud prevention device available.¹ Our research as part of our audit work revealed that many local governments are now using positive pay as a means to reduce the opportunity for fraud.

Without positive pay, the City is exposed to certain kinds of check fraud.

According to the GFOA:

“With the rapid increase in the usage of remote deposit capture (Check 21) and image transfer, many of the physical measures have become obsolete and have limited effectiveness in preventing bank account fraud.”

Check 21 is federal bank legislation signed into law by President Bush in 2003 and it became effective in 2004. Among other things, it allows banks to handle more checks

¹ GFOA Recommended Practice “Bank Account Fraud Prevention (2007)”

electronically. Many of the physical security measures on the original check stock may not survive the transition to an electronic image.

Recommendation four: We recommend that management take the opportunity when the current banking agreement expires in June of 2009 to request the positive pay feature from their next banking services provider.

OBJECTIVE FIVE: DUPLICATE PAYMENTS TO VENDORS

We concluded that adequate controls are in place and working to make it unlikely that a vendor will be paid twice for the same invoice. The PI module of the GMBA software has a feature that prohibits the payment of an invoice twice under the same purchase order. Additionally, original invoices are required before Finance will process the invoice for payment. We tested a sample of accounts payable warrants to determine if they contained duplicate payments to vendors. We selected the sample size using a desired confidence level of 99%, expected error rate of 0.5%, and a desired precision rate of plus or minus 3%. No duplicate payments were identified in our sample

OBJECTIVE SIX: PAYMENTS TO INCORRECT VENDORS

We used the same statistical sample of transactions used to test for duplicate payments to test for payments to incorrect vendors. Additionally, we used a judgmental sample of over 150 transactions to test for payments to incorrect vendors. We found no instances of incorrect vendors being paid. We concluded that controls are in place and working properly to make it unlikely that the wrong vendor will be paid.

OBJECTIVE SEVEN: SYSTEM ACCESS

Based on our audit work, we concluded that system access permissions are compatible to the employee's job duties with the accounts payable process. Management maintains appropriate segregation of duties. Management keeps good control of access capabilities based upon job requirements.

FRAUD TESTING

Professional audit standards require auditors to consider the possibility of fraud when performing audits. We performed several standard audit techniques to test for indicators of fraud. For example, we verified a sample of endorsements on returned warrants in the accounts payable bank statements. We considered odd or unusual endorsements that would be untypical of normal business practice. We did not see any indicators of fraud in our audit testing.

OPPORTUNITIES FOR IMPROVEMENT

1. We recommend that Finance should consider reducing the timeline for receiving reports/vouchers. Presently, the deadline is Wednesday noon for payments to be ready for mail or pickup by the following Monday. The result is that Finance staff receives a large number of payments to be processed on Wednesday afternoon, allowing less time to review payments since warrants are normally printed on Thursday morning. Changing the deadline from Wednesday noon to

Monday or Tuesday would allow staff more time to review and process receiving reports/vouchers.

2. We recommend that management consider formalizing the process by which vendor names are entered in the master vendor file to ensure standardization. Additionally, the method by which vendor invoices are entered when processing receiving reports/vouchers should be formalized and standardized. The term for standardizing input into the master vendor file is *naming convention*. This means using a standardized set of rules when naming accounts. For example, two possible rules may be 1) apostrophes in vendor names are not used and 2) periods in vendor names are not used. There is no inherently wrong or right set of rules. The important point is to be consistent. The rules need to be understood and used by all employees maintaining the master vendor file. It appears that there has been an informal effort to use naming conventions; however, it has not been formalized and adopted as policy. For the naming conventions to work properly, it has to be thorough. Without a strict naming convention, it is possible that several files could be set up for the same company. For example, a company called The Golden Parachute could be set up as one of the following:

- The Golden Parachute
- Golden Parachute, The
- Golden Parachute
- Parachute, Golden

It is also important to standardize the way that invoices are entered when processing payments. It appears that Finance staff makes an attempt to enter invoices in a consistent way. However, this too should be written down and adopted as policy. Sometimes this process of standardization is called *invoice coding*. For example, some rules might be as follows:

- No leading zeros keyed into the invoice number field

<u>VALID</u>	<u>INVALID</u>
R174080	00R174080
- No periods (.), commas (,), or other punctuation marks (e.g. / or #) keyed into the invoice number field

<u>VALID</u>	<u>INVALID</u>
R174080	R/174080

If invoices are coded haphazardly, it could lead to duplicate payments and may open the door to fraud. City staff also has more difficulty researching financial records to determine if an invoice has already been paid. Any invoicing coding policy should be thorough and particularly address how to handle invoices without invoice numbers such as construction contract pay requests. Every payment should have a unique invoice number.

AUDIT CONCLUSION

We noticed considerable effort by management to tighten up controls in the accounts payable process, particularly in the segregation of duties. Our audit findings in regard to the master vendor file are partly system issues. The City of Sioux Falls has used the HTE system for 16 years. It may be time to consider researching what other financial and accounting software systems are currently available that could handle the financial and accounting needs of the City.

Date: 2008-10-27
SIRE Meeting ID: 959
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/1ejhkgZzgqo>
Agenda Item: Not Assigned
Item ID: 40717

The following document(s) are public records obtained from the
City of Sioux Falls.

PROPERTY TAXES AUDIT INTERNAL AUDIT REPORT 08-07

INTRODUCTION

The City of Sioux Falls City Council authorized this audit in the 2008 Annual Audit Program. This is the first internal audit of property taxes.

BACKGROUND

Property taxes are a major revenue source for the City of Sioux Falls. In 2008, the City anticipated over \$38,000,000 in property tax receipts. Lincoln and Minnehaha Counties assess and collect property taxes on behalf of the City of Sioux Falls. Approximately 82% of City property tax receipts come from Minnehaha County and 18% from Lincoln County. Property taxes assessed and collected by county governments in South Dakota are used to fund school districts, counties, and cities. The State of South Dakota does not receive any property tax dollars.

Property tax is an *ad valorem* tax. An *ad valorem* (Latin: according to value) tax is a tax based on the value of property, either real or personal. In South Dakota counties, a county Director of Equalization must annually value all real property in the county at its full and true value. In Minnehaha County, the Director and his staff are responsible for discovering, listing, and valuing all real property within the county. They also link real properties to their owners and place assessed values and owners' names on the assessment roles. The Minnehaha County Equalization office determines the taxable value of over 65,000 parcels. The tax base in Minnehaha County is approximately \$10 billion.

Property taxes are normally due to the County Treasurer by April 30th (first installment) and October 31st (second installment) each year. There is a lag period in the assessment of property tax and when the tax is due. Property taxes due in 2008 are 2007 taxes of property assessed in 2006. The County Treasurer makes the allocation of property tax receipts to the school districts and cities.

OBJECTIVES

The objectives of this audit were to determine:

1. If properties within the City of Sioux Falls are appropriately registered on the Lincoln and Minnehaha Counties' tax rolls.
2. If property tax exemptions and/or reductions are being accurately and appropriately administered.
3. If newly annexed City of Sioux Falls properties are properly and accurately included on the tax rolls.
4. If property tax distributions from Minnehaha and Lincoln Counties are accurately receipted and accounted for by the City of Sioux Falls.

SCOPE AND METHODOLOGY

The sample size for objective one was statistically generated using a desired confidence level of 99%, expected error rate of 1% and a desired precision of +/- 2%. This yielded a sample size of 165 properties. The 165 properties were randomly selected and compared to current Lincoln and Minnehaha County tax records. For objective two, a judgmental sample of discretionary properties were reviewed and verified against the tax records. A listing of building permits from 1999 through 2007 that may have qualified for property tax reductions were reviewed and compared to tax records. For objective three, all Minnehaha and Lincoln County annexations into the City of Sioux Falls for 2005 and 2006 were reviewed. We reviewed City accounting records for 2007 and 2008 including the approved budget and general ledger to achieve audit objective four. Documentation reviewed at Lincoln and Minnehaha County included original records and computer records.

We did not include a review of the proper allocation of property tax receipts by the County Treasurer within the scope of this audit. We do not have authority as internal auditors of the City to audit the County Treasurers' offices. County Treasurers in South Dakota are normally audited by the South Dakota Department of Legislative Audit. We did review the State audit reports for both Lincoln and Minnehaha County. See page three of this report for information on our findings.

RESULTS

Audit Objective 1

Our statistical sample of 165 randomly selected properties within the city limits of Sioux Falls were compared to both the Minnehaha and Lincoln County assessment rolls. All properties were properly coded as City of Sioux Falls properties.

Audit Objective 2

The City of Sioux Falls has several Reduced Tax Programs. These programs encourage new industrial structures, additions, and renovations. One of the programs encourages new industrial or commercial structures or renovations within a specific downtown area. The Reduced Tax Programs offer a 5 year period of reduced property taxes. We concluded that property tax exemptions and/or reductions are being accurately and appropriately administered. However, we did have several recommendations to improve the Reduced Tax Programs application forms. See recommendations one and two on page three of this report.

Audit Objective 3

We reviewed all Minnehaha and Lincoln County annexations into the City of Sioux Falls for 2005 and 2006. All annexed properties were properly and accurately included on the tax rolls.

Audit Objective 4

Based on our review of City accounting records and documentation at Minnehaha and Lincoln Counties, we concluded that property tax distributions from Minnehaha and Lincoln Counties were accurately received and accounted for by the City of Sioux Falls.

We did not audit either the Minnehaha or Lincoln County Treasurers' offices to see if property tax revenue had been properly allocated to the City of Sioux Falls. We did review the audit reports from the South Dakota Department of Legislative Audit. The audit reports for Minnehaha County had no audit findings related to the proper allocation of taxes to the City of Sioux Falls. The audit report for Lincoln County, however, did have a finding related to proper allocation of taxes. In Legislative Audit's report on Lincoln County, dated December 17, 2007, there was a finding on page seven of their report that the City of Sioux Falls had an under distribution of taxes from Lincoln County of \$95,092. This was not a property tax allocation. It was a distribution of Motor Vehicle, Port of Entry, and Wheel Tax receipts. Lincoln County was using an outdated database to calculate the distribution percentages for these three taxes.

We reviewed City accounting records to determine if this \$95,092 had been remitted to the City by Lincoln County. We found no evidence that it had been remitted. Conversations with City management indicated that they had not been informed by Lincoln County officials of the audit finding. Lincoln County indicated to City officials in follow up communications that the City should expect this money in October 2008. Internal Audit will follow up to determine if these funds are remitted to the City.

RECOMMENDATIONS

1. The current applications for all three Reduced Tax Programs do not address the County's responsibilities as to the conditions outlined in each application. The County is further tasked with completing an assessment that the changes in the property value meet or exceed the full and true value that is required by each of the three programs. The Assistant Director of Planning and Building Services and the Internal Audit staff agree that the three reduced taxation programs be revised to state the following, "Only properties that have been stated as eligible by the City of Sioux Falls Assistant Director of Planning and Building Services and then approved by the appropriate County Director of Equalization will be certified as eligible for reduced taxation".
2. The current program applications require that an acknowledgement is sent to the applicant within 30 days stating whether the facility is eligible. Again, the Internal Audit staff and the Assistant Director of Planning and Building Services agree that the three reduced taxation programs be further revised to state the following, "The Assistant Director of Planning and Building Services shall send an acknowledgement to the applicant within 30 days stating that the application has been received and is under review prior to being forwarded to the County Director of Equalization for further consideration".

Date: 2008-10-27
SIRE Meeting ID: 959
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/1ejhkgZzgqo>
Agenda Item: Not Assigned
Item ID: 40718

The following document(s) are public records obtained from the
City of Sioux Falls.



Date: October 16, 2008
To: Rich Oksol, Lead Internal Auditor
From: Eugene Rowenhorst, Director of Finance
Subject: Accounts Payable Audit—Internal Audit Report 08-09

First, we appreciate the opportunity you provided for us to review and discuss the Accounts Payable Audit throughout the audit process. Over the past couple of years, we have tried to not only tighten the controls over the accounts payable process as you mentioned, but also to make the process a more efficient and effective support to City operations. Although we are both cognizant of the current limitations of our financial system, we plan to use this audit to make our controls and effectiveness even better. In support of your audit recommendations, the Finance department plans to implement the following changes to our policies and/or procedures:

Recommendation One: The financial system, as programmed from the vendor, does not allow for automatic inactivation of vendors. We are currently working with the Information Technology department and another contact that you provided to determine whether a modification to the system might be acceptable to allow us to routinely inactivate vendors. We plan to revise our policy to provide for an annual review and to remove vendors not used within the last three years. Although there are certain system limitations, we plan to pursue system enhancements that would allow departmental and/or Finance staff to review vendor information during requisition entry and payment processing to ensure that vendor information is current and accurate.

Recommendations Two and Three: At this time, our software does not provide a system edit to allow tracking of changes to the vendor file. Without this capability, there can be no complete assurance that new, reactivated, or changes to the vendor file would be included in the review by another staff member or management. We are going to request a system enhancement for the consideration of our software provider. In the meantime, we plan to introduce a random verification of vendor information for those vendors being paid to provide some additional assurances. Such verification will also be reviewed by management. It should be noted that the individual who enters vendor information is not allowed to initiate, process, or approve requisitions or purchase orders in conformance with our segregation of duties controls.

Recommendation Four: The City has begun to process payments to vendors via ACH (automated clearing house) payment. In addition to being the most cost effective mechanism, this direct bank-to-bank transaction eliminates checks and the potential exposure to check fraud. The City has discussed positive pay with our bank in the past and, depending upon our success in achieving a high participation rate in the ACH payment program, will again be reviewing positive pay or enhancing our use of partial positive pay with our bank.

Improvement One: The Finance department has also identified this as a primary initiative to make for a more effective accounts payable process. Rather than immediately move the deadline, we plan to work with the departments to first identify whether this problem can be self-correcting. If the number of claims submitted on the day of the deadline is not reduced and a more even claims submittal is not achieved, we will be required to move the deadline.

Improvement Two: We have begun a process to provide for a more standard naming convention and have included this within our updated policy for standardized naming and entry of accounts payable information.

As you have noted, we are limited in certain key components to a more effective accounts payable process by our current financial system. We do have plans to begin to review financial system alternatives to help us leverage technology to make us even more effective in providing financial services to our growing city.

We appreciate your review of our accounts payable processes and procedures and look forward to working with you on other audit-related projects.

Date: 2008-10-27
SIRE Meeting ID: 959
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/1ejhkgZzgqo>
Agenda Item: Not Assigned
Item ID: 40719

The following document(s) are public records obtained from the
City of Sioux Falls.

Notice of Hearing: NA
Date of Hearing: NA
Date Adopted: 12/17/07
Date Published: 12/21/07
Date Effective: 01/10/08

RESOLUTION NO. 194-07

A RESOLUTION ESTABLISHING THE SIOUX FALLS CITY COUNCIL'S PRIORITIES FOR THE 2008 STATE LEGISLATIVE SESSION.

BE IT RESOLVED BY THE CITY OF SIOUX FALLS, SD:


1. The Sioux Falls City Council continues its strong support of home rule and the right of municipal self-government. The City Council urges the state legislature to refrain from enacting legislation in areas that are matters of strictly municipal concern. State legislation should not conflict with or override local laws that deal with local issues. Conflicts between state and local laws should be eliminated so problems that are local in nature will be handled at the local level.
2. The Sioux Falls City Council strongly encourages the legislature to support local economic development efforts by working with interested organizations to find a solution to the problem of liquor license cost and inadequate liquor license availability.
3. The Sioux Falls City Council strongly encourages the legislature to permit municipalities to use local option to regulate the sale and use of tobacco products.
4. The Sioux Falls City Council, in conjunction with the South Dakota Municipal League, supports legislation to increase the 911 Funding Surcharge tax allowed by SDCL 34-45, to better fund emergency services.
5. The Sioux Falls City Council strongly encourages the legislature to permit municipalities to have local control over taxation and fees.

Date adopted: 12/17/07.



Mayor

ATTEST:



City Clerk

