



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

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## Finance Office Department

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## MEMO

**To:** Mayor Steve Allender & City Council

**From:** Pauline Sumption

**Date:** July 5, 2018

**RE:** RCMC 3.28.040(B) A general statement of the financial condition of the City.

The City's cash balances have increased from \$112,981,417.97 as of 12/31/2016 to \$132,628,936.66 as of 12/31/2017. While most of this money is restricted for specific purposes, the General Fund Cash balance has decreased by approximately \$2.4 million, from \$11,211,565.31 to \$8,769,082.23 over the same time period. As part of the budget process, we had projected that we would use in excess of \$3 million to fund the 2017 budget. Included in the overall cash balance are the City's managed accounts, of which we have four. These accounts have increased approximately \$27k from \$46,188,830 at 12/31/2016 to \$46,216,014 at 12/31/2017, even though the City withdraws any interest earned on these accounts for operational expenses on a monthly basis.

Although the sales tax revenue did not meet our projections, our economy continues to hold steady with a slight increase. Other revenue sources have also seen a slight increase. As a City, we have also continued to be very conservative in our spending.

Overall, I would say the City's financial condition at the end of 2017 was favorable although we continue to monitor the sluggish sales tax growth as well as the General Fund cash balance as a whole. To offset some of this, I have made recommendations to the Mayor and Department Directors to delay expenditures if possible, especially for those departments and divisions in the General Fund.

Please do not hesitate to contact me, should you have any questions.



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