CITY OF BELLE FOURCHE, SOUTH DAKOTA

Financial Statements

December 31, 2025

CASEY • PETERSON

City of Belle Fourche, South Dakota
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December 31, 2025

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Belle Fourche, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Belle Fourche, South Dakota (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control described in the accompanying Schedule of Findings and Management's Response as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Belle Fourche, South Dakota's Response to Findings

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

Purpose of this Report

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

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota
June 11, 2026

City of Belle Fourche, South Dakota
Schedule of Findings and Management's Response (Unaudited)
December 31, 2025

Material Weakness
Internal Controls over Financial Reporting
Drafting the Financial Statements

2025-001 *Condition:* The City does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and the accompanying notes.

Criteria: Government Auditing Standards indicates that the inability to produce financial statements is an internal control deficiency.

Cause: Due to the limited number of employees, the City does not have an internal control system designed to provide for the preparation of the financial statements and the accompanying notes being audited.

Effect: The City engages its auditor to draft the financial statements and the accompanying notes.

Auditor's Recommendation: It is the responsibility of management and those charged with governance to decide whether to accept the degree of risk associated with the City's auditors drafting the financial statements and accompanying notes because of cost or other considerations. The City could outsource the services to a third-party accounting firm to alleviate this finding. If the City chooses not to accept this risk, training should be provided for those employees responsible for drafting the financial statements and accompanying notes.

Management's Response: The City does not believe it is financially feasible to outsource the service and accepts the risk related to hiring the auditor to prepare the financial statements and notes to the financial statements.

CASEY • PETERSON
CPAs & FINANCIAL ADVISORS

Independent Auditor's Report

Honorable Mayor and City Council
City of Belle Fourche, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Fourche, South Dakota (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position - modified cash basis thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), Schedule of Pension Contributions, Notes to the Supplementary Information, combining nonmajor fund financial statements, Management's Discussion and Analysis, and the list of City Officials are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), Schedule of Pension Contributions, Notes to the Supplementary Information, and combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), Schedule of Pension Contributions, Notes to the Supplementary Information, and combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Management's Discussion and Analysis, the Schedule of Findings and Management's Response, and the list of City Officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Casey Peterson, LTD

Casey Peterson, LTD

Rapid City, South Dakota
June 11, 2026

Our discussion and analysis of the City of Belle Fourche, South Dakota's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2025, within the limitations of the City's modified cash basis of accounting. Please read it in conjunction with the City's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Components

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

- The Statement of Net Position and the Statement of Activities provide information about the activities of the City using a government-wide focus (or "as a whole").
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements by providing information about the City's most significant ("major") funds.
  - The governmental fund statements tell how these services were financed in the short term as well as what remains for future spending.
  - The proprietary fund statements offer financial information about the activities the City operates like businesses. The proprietary funds operated by the City are the Liquor, Water, Sewer, and Landfill Funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide an expanded explanation and detail regarding the information reported in the statements.

This Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), Schedule of Pension Contributions, Notes to the Supplementary Information, combining nonmajor fund financial statements, Schedule of Findings and Management's Response, and the list of City Officials are provided as supplementary information. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Basis of Accounting

This City has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the City's modified cash basis of accounting, revenues and expenses, and related assets are recorded when they result from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the City as a Whole - The Government-Wide Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all of the City's assets resulting from the use of the modified cash basis of accounting.

These two statements report the City's net position and changes in net position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the City's net position as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's sales tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- *Governmental Activities* - Most of the City's basic services are reported here including the police, fire, general government, streets, and parks. Sales taxes, property taxes, and state and federal grants finance most of these activities.
- *Business-type Activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Liquor, Water, Sewer, and Landfill systems are reported here.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The City has two kinds of funds - *governmental* and *proprietary*.

- *Governmental Funds* - Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments of debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City considers the General Fund, Capital Improvement Fund, and Police Building Fund to be its significant or major governmental funds. All other governmental funds are aggregated in a single column titled Other Governmental Funds.
- *Proprietary Funds* - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements, but the fund statements provide more detail and additional information. The City considers the Water Fund, Sewer Fund, and Landfill Fund to be significant or major proprietary funds.

The City currently has no fiduciary funds. *Fiduciary funds* are often used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements, and similar arrangements.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position - Modified Cash Basis

The City's combined net position resulting from modified cash basis transactions decreased from approximately $20.8 million to $13.4 million between fiscal years 2024 and 2025. Looking at the net position and net expenses of governmental and business-type activities separately, both business-type activities and governmental activities had a decrease.

Table A-1
City of Belle Fourche, South Dakota
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total
	2025	2024	2025	2024	2025	2024	Percentage
Cash and Cash Equivalents	$ (736,248)	$ 1,506,324	$ 3,223,198	$ 4,083,014	$ 2,486,950	$ 5,589,338	-55.51%
Restricted Cash and Cash Equivalents	9,818,288	14,276,730	1,056,451	930,331	10,874,739	15,207,061	-28.49%
Total Assets	9,082,040	15,783,054	4,279,649	5,013,345	13,361,689	20,796,399	-35.75%
Net Position:							
Restricted	10,842,146	13,326,480	1,105,437	975,871	11,947,583	14,302,351	-16.46%
Unrestricted	(1,760,106)	2,456,574	3,174,212	4,037,474	1,414,106	6,494,048	-78.22%
Total Net Position	9,082,040	15,783,054	4,279,649	5,013,345	13,361,689	20,796,399	-35.75%
Beginning Net Position	15,783,054	6,283,763	5,013,345	8,373,568	20,796,399	14,657,331	
Increase (Decrease) in Net Position	$ (6,701,014)	$ 9,499,291	$ (733,696)	$ (3,360,223)	$ (7,434,710)	$ 6,139,068	
Percentage Change in Net Position	-42.46%	151.17%	-14.63%	-40.13%	-35.75%	41.88%	

Net position of the City's business-type activities decreased 14.63% to $4.3 million.

Net position of the City's governmental activities decreased 42.46% to $9.1 million. However, $10.8 million of the net position is restricted. Consequently, unrestricted net position showed a negative $1.7 million at the end of this year.

Changes in Net Position - Modified Cash Basis

For the year ended December 31, 2025, net position of the primary government (resulting from modified cash basis transactions) changed as follows:

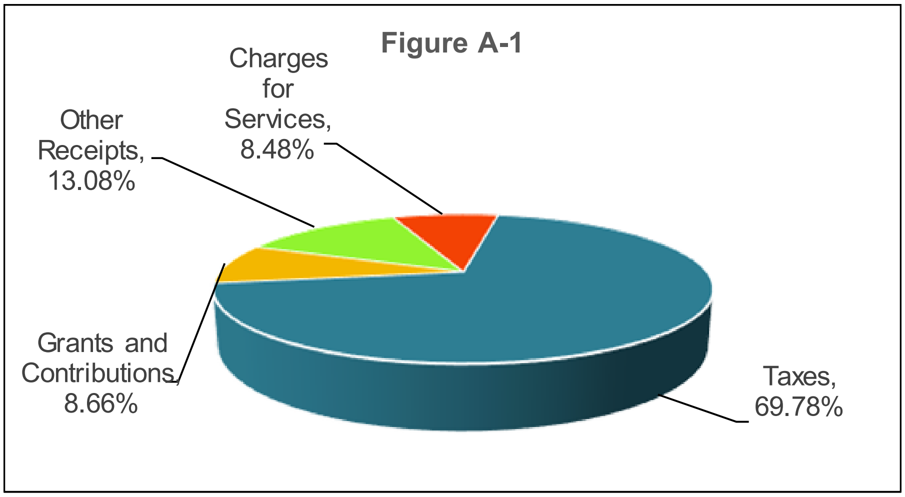
Table A-2
City of Belle Fourche, South Dakota
Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total
	2025	2024	2025	2024	2025	2024	Percentage
Receipts							
Program Receipts							
Charges for Services	$ 735,306	$ 703,852	$ 6,218,744	$ 6,021,196	$ 6,954,050	$ 6,725,048	3.41%
Operating Grants and Contributions	87,346	275,129	72,000	-	159,346	275,129	-42.08%
Capital Grants and Contributions	664,080	742,468	-	-	664,080	742,468	-10.56%
General Receipts							
Property Taxes	1,773,353	1,953,743	-	-	1,773,353	1,953,743	-9.23%
Sales Taxes	4,271,899	4,051,062	-	-	4,271,899	4,051,062	5.45%
Tourism Taxes	8,960	8,879	-	-	8,960	8,879	0.91%
State Shared Receipts	238,644	373,962	-	-	238,644	373,962	-36.18%
County Shared Receipts	62,499	61,499	-	-	62,499	61,499	1.63%
Donations and Contributions not Restricted to Specific Programs	202,277	29,285	-	-	202,277	29,285	590.72%
Unrestricted Interest Income	423,290	119,163	59,954	123,343	483,244	242,506	99.27%
Other	208,195	208,221	19,472	1,381	227,667	209,602	8.62%
Total Receipts	8,675,849	8,527,263	6,370,170	6,145,920	15,046,019	14,673,183	2.54%
Disbursements							
General Government	1,876,090	3,047,032	-	-	1,876,090	3,047,032	-38.43%
Public Safety	7,506,307	3,273,810	-	-	7,506,307	3,273,810	129.28%
Public Works	2,300,383	4,122,786	-	-	2,300,383	4,122,786	-44.20%
Health and Welfare	67,265	96,386	-	-	67,265	96,386	-30.21%
Culture and Recreation	3,508,689	4,875,969	-	-	3,508,689	4,875,969	-28.04%
Economic Development	234,902	240,850	-	-	234,902	240,850	-2.47%
Debt Service	1,428,846	494,544	-	-	1,428,846	494,544	188.92%
Liquor	-	-	1,841	15,932	1,841	15,932	-88.44%
Water	-	-	3,377,436	2,776,066	3,377,436	2,776,066	21.66%
Sewer	-	-	1,724,763	1,599,877	1,724,763	1,599,877	7.81%
Landfill	-	-	2,069,194	2,673,867	2,069,194	2,673,867	-22.61%
Total Disbursements	16,922,482	16,151,377	7,173,234	7,065,742	24,095,716	23,217,119	3.78%
Deficiency Before Transfers	(8,246,633)	(7,624,114)	(803,064)	(919,822)	(9,049,697)	(8,543,936)	5.92%
Transfers	1,433,159	2,440,401	(1,433,159)	(2,440,401)	-	-	0.00%
Insurance Proceeds	77,485	595,272	-	-	77,485	595,272	-86.98%
Sale of Municipal Property	34,975	-	8,700	-	43,675	-	0.00%
Debt Issued	-	14,087,732	1,493,827	-	1,493,827	14,087,732	-89.40%
Increase (Decrease) in Net Position	(6,701,014)	9,499,291	(733,696)	(3,360,223)	(7,434,710)	6,139,068	-221.10%
Net Position - Beginning	15,783,054	6,283,763	5,013,345	8,373,568	20,796,399	14,657,331	41.88%
Net Position - Ending	$ 9,082,040	$ 15,783,054	$ 4,279,649	$ 5,013,345	$ 13,361,689	$ 20,796,399	-35.75%

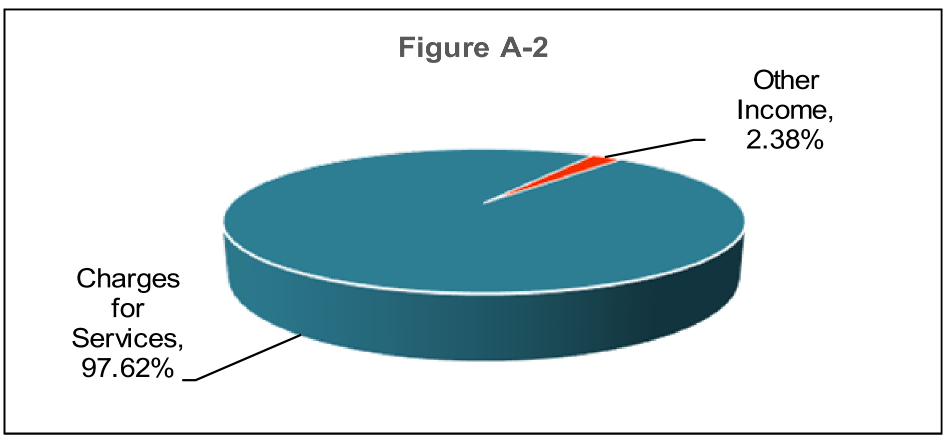
The City began paying off debt proceeds used for the construction of the police department, resulting in a 188.92% increase in debt service.

The City's receipts totaled $15,046,019 (see Table A-2). Of the City's total receipts, approximately 58% came from governmental activities and 42% came from business-type activities.

The City's governmental receipts totaled $8,675,849; of this, approximately 70% came from taxes, 9% came from grants and contributions, 13% came from other receipts, and 8% came from charges for services (see Figure A-1).

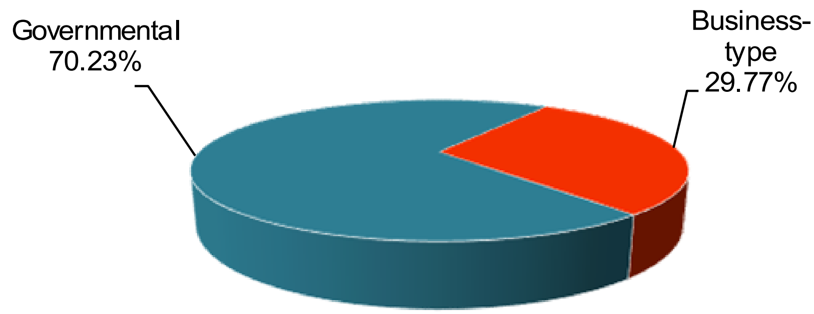


The City's business-type receipts totaled $6,370,170; of this, 98% came from charges for services and 2% came from other receipts (see Figure A-2).



The City's disbursements totaled $24,095,716; of this, 70% was spent on governmental activities and 30% was spent on business-type activities.

Figure A-3



Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Receipts, Disbursements, and Changes in Fund Balance. You will notice that disbursements are listed in the first column, with receipts from that particular program reported to the right. The result is a Net (Disbursements)/Receipts. This type of format highlights the relative financial burden of each of the functions of the City's taxpayers. It also identifies how much each function draws from the general receipts or if it is self-financing through fees and grants or contributions. All other governmental receipts are reported as general. It is important to note that all taxes are classified as general receipts, even if restricted for a specific purpose.

For the year ended December 31, 2025, total disbursements for governmental activities, resulting from the modified cash basis transactions, amounted to $16,922,482. Of these total disbursements, taxpayers and other general receipts funded $7,205,086, while those directly benefiting from the program funded $751,426 from grants and other contributions and $719,337 from charges for services.

Business-type Activities

In reviewing the business-type activities' net (disbursement)/receipt resulting from the modified cash basis transactions, certain activities need to be examined more closely. The water, sewer, and landfill service activities reported revenues of $1,436,647, $1,373,115, and $3,560,408, respectively.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- On the modified cash basis of accounting, the General Fund reported receipts of $5,189,966 and disbursements and net other financing sources of $6,070,124, resulting in a decrease in fund balance of $880,158.
- On the modified cash basis of accounting, the Capital Improvement Fund reported receipts of $2,972,621, disbursements of $4,335,125, and net other financing uses of $14,319,589, resulting in a decrease in fund balance of $15,682,093.

General Fund Budgetary Highlights

For the year ended December 31, 2025, General Fund expenditures were $1,071,204 below final appropriations, while actual resources available for appropriation were $228,154 below the final budgeted amount.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the upcoming fiscal year ending December 31, 2026, the City's budget is fairly consistent with this year.

The City's current economic position has shown little change. Tax revenues have ultimately remained steady.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Belle Fourche, South Dakota at 511 6th Ave., Belle Fourche, SD 57717 or (605) 892-2784.

BASIC FINANCIAL STATEMENTS

City of Belle Fourche, South Dakota
Statement of Net Position - Modified Cash Basis
December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ (736,248)	$ 3,223,198	$ 2,486,950
Restricted Cash and Cash Equivalents	9,818,288	1,056,451	10,874,739
TOTAL ASSETS	$ 9,082,040	$ 4,279,649	$ 13,361,689
NET POSITION			
Restricted for:			
Cemetery	$ 123,455	$ -	$ 123,455
Capital Projects	10,211,173	-	10,211,173
City Promotion	254,811	-	254,811
Customer Deposits	-	48,986	48,986
Debt Service	123,013	-	123,013
Donor Restricted	129,694	-	129,694
Landfill Post Closure Costs	-	1,056,451	1,056,451
Unrestricted	(1,760,106)	3,174,212	1,414,106
TOTAL NET POSITION	$ 9,082,040	$ 4,279,649	$ 13,361,689

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2025

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Position		
					Primary Government		
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	$ 1,876,090	$ 254,363	$ -	$ -	$ (1,621,727)	$ -	$ (1,621,727)
Public Safety	7,506,307	330	87,346	-	(7,418,631)	-	(7,418,631)
Public Works	2,300,383	27,147	-	605,751	(1,667,485)	-	(1,667,485)
Health and Welfare	67,265	-	-	-	(67,265)	-	(67,265)
Culture and Recreation	3,508,689	453,466	-	58,329	(2,996,894)	-	(2,996,894)
Economic Development	234,902	-	-	-	(234,902)	-	(234,902)
Debt Service*	1,428,846	-	-	-	(1,428,846)	-	(1,428,846)
Total Governmental Activities	16,922,482	735,306	87,346	664,080	(15,435,750)	-	(15,435,750)
Business-type Activities:							
Liquor	1,841	-	-	-	-	(1,841)	(1,841)
Water	3,377,436	1,409,108	-	-	-	(1,968,328)	(1,968,328)
Sewer	1,724,763	1,362,260	-	-	-	(362,503)	(362,503)
Landfill	2,069,194	3,447,376	72,000	-	-	1,450,182	1,450,182
Total Business-type Activities	7,173,234	6,218,744	72,000	-	-	(882,490)	(882,490)
TOTAL PRIMARY GOVERNMENT	$ 24,095,716	$ 6,954,050	$ 159,346	$ 664,080	(15,435,750)	(882,490)	(16,318,240)

	Governmental Activities	Business-type Activities	Total
GENERAL RECEIPTS			
Taxes:			
Property Taxes	1,773,353	-	1,773,353
Sales Taxes	4,271,899	-	4,271,899
Tourism Taxes	8,960	-	8,960
State Shared Receipts	238,644	-	238,644
County Shared Receipts	62,499	-	62,499
Donations and Contributions not Restricted to Specific Programs	202,277	-	202,277
Unrestricted Interest Income	423,290	59,954	483,244
Debt Issued	-	1,493,827	1,493,827
Other Revenue	208,195	19,472	227,667
Insurance Proceeds	77,485	-	77,485
Sale of Municipal Assets	34,975	8,700	43,675
Transfers	1,433,159	(1,433,159)	-
Total General Receipts	8,734,736	148,794	8,883,530
CHANGE IN NET POSITION	(6,701,014)	(733,696)	(7,434,710)
NET POSITION - BEGINNING	15,783,054	5,013,345	20,796,399
NET POSITION - ENDING	$ 9,082,040	$ 4,279,649	$ 13,361,689

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

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2025

	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,419,612	$ (3,358,823)	$ 392,885	$ 810,078	$ (736,248)
Restricted Cash and Cash Equivalents	-	-	9,818,288	-	9,818,288
TOTAL ASSETS	$ 1,419,612	$ (3,358,823)	$ 10,211,173	$ 810,078	$ 9,082,040
FUND BALANCES					
Nonspendable:					
Cemetery	$ -	$ -	$ -	$ 50,000	$ 50,000
Restricted:					
Capital Projects	-	-	10,211,173	-	10,211,173
City Promotion	-	-	-	254,811	254,811
Debt Service	-	-	-	123,013	123,013
Donor-restricted	-	-	-	129,694	129,694
Cemetery	-	-	-	73,455	73,455
Assigned:					
Museum Gift Shop	-	-	-	179,105	179,105
Unassigned	1,419,612	(3,358,823)	-	-	(1,939,211)
TOTAL FUND BALANCES	$ 1,419,612	$ (3,358,823)	$ 10,211,173	$ 810,078	$ 9,082,040

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Taxes:					
General Property Taxes	$ 1,805,610	$ -	$ -	$ (38,239)	$ 1,767,371
General Sales and Use Taxes	2,016,453	2,016,452	-	238,994	4,271,899
Tourism Taxes	8,960	-	-	-	8,960
Penalties and Interest on Delinquent Taxes	5,982	-	-	-	5,982
Licenses and Permits	158,899	-	-	-	158,899
Intergovernmental Receipts:					
Federal Grants	40,209	410,758	-	-	450,967
State Grants	87,346	213,113	-	-	300,459
State Shared Receipts:					
Bank Franchise Tax	19,062	-	-	-	19,062
Prorate License Fees	10,886	-	-	-	10,886
Liquor Tax Reversion	37,514	-	-	-	37,514
Motor Vehicle Licenses	84,143	-	-	-	84,143
Local Government Highway and Bridge Fund	87,039	-	-	-	87,039
County Shared Receipts:					
County Road Tax	10,830	-	-	-	10,830
County Road and Bridge Tax	33,134	-	-	-	33,134
County Wheel Tax	11,761	-	-	-	11,761
Other Intergovernmental Receipts	6,774	-	-	-	6,774
Charges for Goods and Services:					
General Government	765	-	-	51,013	51,778
Public Safety	330	-	-	-	330
Public Works	915	-	-	-	915
Culture and Recreation	451,492	-	-	1,974	453,466
Cemetery	21,700	-	-	4,532	26,232
Other	21,782	-	-	5,935	27,717
Fines and Forfeits:					
Court Fines and Costs	9,035	-	-	-	9,035
Parking Fines	325	-	-	-	325
Library Fines	4,644	-	-	-	4,644
Other	1,965	-	-	-	1,965
Miscellaneous Receipts:					
Interest Income	36,765	186,709	197,490	2,325	423,289
Rentals	64,528	-	-	20,170	84,698
Special Assessments	14,524	-	-	-	14,524
Contributions and Donations from Private Sources	27,659	145,590	-	29,029	202,278
Other	108,935	-	-	38	108,973
Total Receipts	5,189,966	2,972,622	197,490	315,771	8,675,849

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds (Continued)
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Total Governmental Funds
DISBURSEMENTS					
General Government:					
Legislative	146,150	-	-	-	146,150
Executive	41,181	-	-	-	41,181
Elections	1,705	-	-	-	1,705
Financial Administration	161,423	-	-	-	161,423
Other	1,053,749	-	-	-	1,053,749
Public Safety:					
Police	2,590,383	-	-	-	2,590,383
Fire	218,937	-	-	-	218,937
Protective Inspection	177,866	-	-	-	177,866
Public Works:					
Highways and Streets	517,547	-	-	-	517,547
Sanitation	327	-	-	-	327
Airport	127,319	-	-	-	127,319
Cemeteries	213,661	-	-	-	213,661
Health and Welfare	47,435	-	-	-	47,435
Culture and Recreation:					
Recreation	1,027,059	-	-	382,783	1,409,842
Parks	201,076	-	-	-	201,076
Library	319,750	-	-	25	319,775
Auditorium	8,338	-	-	-	8,338
Museums	427,190	-	-	37,184	464,374
Conservation and Development	234,902	-	-	-	234,902
Miscellaneous Expenses	12,210	-	-	-	12,210
Debt Service	-	1,352,912	-	75,934	1,428,846
Capital Outlay	251,860	2,982,214	4,305,906	5,456	7,545,436
Total Disbursements	7,780,068	4,335,126	4,305,906	501,382	16,922,482

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds (Continued)
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Police Building Fund	Other Governmental Funds	Total Governmental Funds
EXCESS OF RECEIPTS UNDER DISBURSEMENTS	(2,590,102)	(1,362,504)	(4,108,416)	(185,611)	(8,246,633)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,600,000	-	14,319,589	-	15,919,589
Transfers Out	(1,841)	(14,319,589)	-	(165,000)	(14,486,430)
Sale of Municipal Property	34,300	-	-	675	34,975
Insurance Proceeds	77,485	-	-	-	77,485
Net Other Financing Sources (Uses)	1,709,944	(14,319,589)	14,319,589	(164,325)	1,545,619
NET CHANGE IN FUND BALANCE	(880,158)	(15,682,093)	10,211,173	(349,936)	(6,701,014)
FUND BALANCE - BEGINNING	2,299,770	12,323,270	-	1,160,014	15,783,054
FUND BALANCE - ENDING	$ 1,419,612	$ (3,358,823)	$ 10,211,173	$ 810,078	$ 9,082,040

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Balance Sheet - Modified Cash Basis - Proprietary Funds
December 31, 2025

	Water Fund	Sewer Fund	Landfill Fund	Total Proprietary Funds
ASSETS				
Cash and Cash Equivalents	$ (1,466,200)	$ 999,092	$ 3,690,306	$ 3,223,198
Restricted Cash and Cash Equivalents	-	-	1,056,451	1,056,451
TOTAL ASSETS	$ (1,466,200)	$ 999,092	$ 4,746,757	$ 4,279,649
NET POSITION				
Restricted:				
Landfill	$ -	$ -	$ 1,056,451	$ 1,056,451
Customer Deposits	48,986	-	-	48,986
Unrestricted	(1,515,186)	999,092	3,690,306	3,174,212
TOTAL NET POSITION	$ (1,466,200)	$ 999,092	$ 4,746,757	$ 4,279,649

The accompanying notes are an integral part of this statement.

City of Belle Fourche, South Dakota
Statement of Receipts, Disbursements, and Changes in Fund Net Position - Modified Cash Basis - Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund	Sewer Fund	Landfill Fund	Nonmajor Liquor Fund*	Total Proprietary Funds
OPERATING RECEIPTS					
Charges for Goods and Services	$ 1,409,108	$ 1,362,260	$ 3,447,376	$ -	$ 6,218,744
Miscellaneous	17,257	-	2,215	-	19,472
Total Operating Receipts	1,426,365	1,362,260	3,449,591	-	6,238,216
OPERATING DISBURSEMENTS					
Personnel Services	731,595	627,996	989,299	-	2,348,890
Other Current Disbursements	347,424	296,306	784,363	1,841	1,429,934
Total Operating Disbursements	1,079,019	924,302	1,773,662	1,841	3,778,824
OPERATING INCOME (LOSS)	347,346	437,958	1,675,929	(1,841)	2,459,392
NONOPERATING RECEIPTS (DISBURSEMENTS)					
Operating Grants	-	-	72,000	-	72,000
Interest Income	10,282	10,855	38,817	-	59,954
Capital Outlay	(2,281,927)	(551,289)	(282,725)	-	(3,115,941)
Debt Service (Principal)	(12,147)	(176,137)	(5,292)	-	(193,576)
Debt Service (Interest)	(4,343)	(73,035)	(7,515)	-	(84,893)
Sale of Municipal Property	6,400	-	2,300	-	8,700
Long-term Debt Issued	1,206,635	-	287,192	-	1,493,827
Net Nonoperating Receipts (Disbursements)	(1,075,100)	(789,606)	104,777	-	(1,759,929)
INCOME (LOSS) BEFORE TRANSFERS	(727,754)	(351,648)	1,780,706	(1,841)	699,463
Transfers In	-	165,000	-	1,841	166,841
Transfers Out	-	-	(1,600,000)	-	(1,600,000)
CHANGE IN NET POSITION	(727,754)	(186,648)	180,706	-	(733,696)
NET POSITION - BEGINNING	(738,446)	1,185,740	4,566,051	-	5,013,345
NET POSITION - ENDING	$ (1,466,200)	$ 999,092	$ 4,746,757	$ -	$ 4,279,649

*Funds with no assets, liabilities, or fund balances are omitted from the schedule's supporting balance sheet.

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C., these financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. REPORTING ENTITY

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or if there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City. The City of Belle Fourche does not have any component units.

The City participates in a joint venture with Butte County and the City of Newell. See Note 13 for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the City.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis display information about the City as a whole. These statements include all funds of the overall government except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange receipts. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities - Modified Cash Basis presents a comparison between direct disbursements and program receipts for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, receipts, and disbursements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City, or if it meets the following criteria:

1. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, receipts, or disbursements of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the City are described below:

Governmental Funds:

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

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

Capital Improvement (CIP) Fund - A fund to account for receipts from the second cent sales tax. The second cent can be spent on capital projects and debt service. This is a major fund.

The remainder of the City's Special Revenue funds are not major funds and are reported in the aggregate in the Other Governmental Funds column on the fund financial statements. The following is a listing of those funds: Museum Gift Shop Fund, 3rd Cent Sales Tax Fund, Kids and Cops Donation Fund, Belle Fourche Area Community Center Donation Fund, Library Memorial Fund, and Museum Memorial Fund.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The City has the following debt service fund:

Tax Increment Financing #4 Fund - A fund allowed by SDCL 11-9-24 to account for the proceeds of incremental property taxes, restricted to the payment of principal and interest on debt issued to finance a public improvement. The City accounts for one legally separate TIF debt issue through its TIF #4 Fund. This is not a major fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Permanent Funds - Permanent funds are used to report resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs that are for the benefit of the City and its citizenry. The City has the following permanent fund:

> *Perpetual Care Fund* - A fund to account for a $50,000 donation, the interest from which can only be used for the upkeep of the City's cemetery. This is not a major fund.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments). The City has the following capital project funds:

> *Day Street Lift Station Fund* - A fund to account for Day Street lift station improvements. This is not a major fund.
>
> *Police Building Fund* - A fund to account for construction of the police building. This is a major fund.

Proprietary Funds:

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

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

The City has the following enterprise funds:

> *Liquor Fund* - A fund established by SDCL 35-3-21 to provide off-sale products to the general public. This is not a major fund.
>
> *Water Fund* - A fund established by SDCL 9-47-1 to provide for the construction and operation of the water system and related facilities within the City of Belle Fourche. This is a major fund.
>
> *Sewer Fund* - A fund established by SDCL 9-48-2 to provide for the construction and operation of the sewer system and related facilities within the City of Belle Fourche. This is a major fund.
>
> *Landfill Fund* - A fund established by SDCL 9-32-11 and 34A-6 to provide collection and disposal of solid waste for the City of Belle Fourche. This is a major fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds:

Fiduciary funds are never considered to be major funds and are used to account for resources held by the City in a purely custodial capacity (assets equal liabilities). The City did not have fiduciary funds as of December 31, 2025.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The City’s basis of accounting is the modified cash basis, which is a basis of accounting other than GAAP. Under GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis, transactions are recorded when cash is received or disbursed.

Measurement Focus

Government-Wide Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, the governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

Fund Financial Statements

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used and applied within the limitations of the modified cash basis of accounting.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, the governmental and business-type activities are presented using the modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipts and disbursements transactions. Under the modified cash basis of accounting, the balance sheet reports only cash and cash equivalents (those investments with terms to maturity of 90 days or less at the date of acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed.

Acceptable modifications to the modified cash basis of accounting implemented by the City in these financial statements include the recording of certificates of deposit with maturities of greater than 90 days from the date of acquisition.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If the City applied GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

D. DEPOSITS AND INVESTMENTS

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

E. CAPITAL ASSETS

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

As discussed in Note 1.C. above, the governmental and business-type activities in the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The City has not elected to modify its cash basis presentation by recording capital assets arising from cash transactions and depreciating/amortizing those assets where appropriate, so any capital assets owned by the City and the related depreciation/amortization are not reported on the financial statements of the City.

F. LONG-TERM LIABILITIES

Long-term liabilities include revenue bonds.

As discussed in Note 1.C. above, the governmental and business-type activities in the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The City has not elected to modify its cash basis presentation by recording long-term debt or long-term liabilities arising from cash transactions, so any outstanding long-term debt or long-term liabilities are not reported on the financial statements of the City. The City does report the principal and interest payments on long-term debt as debt service expenditures on the Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis. On the Statement of Activities - Modified Cash Basis, the principal portion of these debt service payments is reported within the appropriate expense function while the interest portion is reported as interest on long-term debt.

G. PROGRAM RECEIPTS AND GENERAL RECEIPTS

Program Receipts

In the government-wide Statement of Activities - Modified Cash Basis, reported program receipts derive directly from the program itself or from parties other than the City’s taxpayers or citizenry, as a whole. Program receipts are classified in the following three categories:

1. Charges for Services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Program-specific Operating Grants, Loans, and Contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific Capital Grants and Contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

General Receipts

General receipts include all receipts not specifically earmarked for a specific program. General receipts include all taxes, interest received, unrestricted receipts from federal, state, or county governments, and miscellaneous receipts not related to a program. These receipts are not restricted and can be used for the regular operation of the City.

H. PROPRIETARY FUND RECEIPT CLASSIFICATION

In both the government-wide statements and fund financial statements, proprietary fund operating receipts, such as charges for water and sewer services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating receipts, if any, such as grants, operating subsidies, interest received, and transfers in, result from nonexchange transactions.

I. CASH AND CASH EQUIVALENTS

The City pools the cash resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents on the financial statements.

J. EQUITY CLASSIFICATIONS

Government-wide Financial Statements

Equity is classified as net position and is displayed in two components:

1. Restricted Net Position - Consists of net position with constraints placed on its use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position - All other net position that does not meet the definition of "restricted net position".

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when a disbursement is made for purposes for which both restricted and unrestricted net positions are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance, which is distinguished between the following classifications:

Nonspendable - Includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - Includes amounts that are constrained for specific purposes that are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - Includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the City Council and do not lapse at year-end.

Assigned - Includes amounts that are constrained by the City management and are intended to be used for specific purposes but are neither restricted nor committed. The City Council has given management the authority to create assignments of fund equity.

Unassigned - Includes positive amounts within the General Fund which have not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

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

Proprietary fund equity is classified the same as in the government-wide financial statements.

NOTE 2 - DEPOSITS, INVESTMENTS, AND RELATED RISKS

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

Deposits

The City's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1, and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100% of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating, which may not be less than "AA," or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments

In general, SDCL 4-5-6 permits City funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL4-5-9 requires investments to be in the physical custody of the political subdivision or deposited in a safekeeping account with any banker or trust company designated by the political subdivision as its fiscal agent.

As of December 31, 2025, the City did not have any investments.

NOTE 2 - DEPOSITS, INVESTMENTS, AND RELATED RISKS (CONTINUED)

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine-member board with representation from municipalities, school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

Custodial Credit Risk - Deposits - The risk that, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2025, the City's deposits were adequately secured by FDIC Insurance and collateralized with pledged securities.

Custodial Credit Risk - Investments - The risk that, in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. The City was not exposed to custodial investment risk in 2025.

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one institution. As of December 31, 2025, all of the City's deposits are in First Interstate Bank and South Dakota Public Fund Investment Trust.

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

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates.

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

NOTE 3 - RESTRICTED CASH

Amounts restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

Purpose	Restricted By	Amount
Capital Outlay	Contract Restrictions	$ 9,818,288
Landfill Post Closure Costs	Law	1,056,451
		$ 10,874,739

NOTE 4 - PROPERTY TAXES

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

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

Property tax revenue for the year ended December 31, 2025 in the TIF #4 Fund is negative $38,239. This is due to an administrative error at Butte County. Revenues remitted from the County will be corrected accordingly going forward.

NOTE 5 - COMMITMENTS

The following is a summary of the changes in the long-term commitments for the year ended December 31, 2025:

	Balance 12/31/24	Advances	Payments	Balance 12/31/25	Due in One Year
Governmental Funds:					
Sales Tax Revenue Bonds	$ 16,785,007	$ -	$ (743,898)	$ 16,041,109	$ 764,974
Business-type Activities:					
State Revenue Bonds	3,339,508	1,493,827	(193,575)	4,639,760	203,580
	$ 20,124,515	$ 1,493,827	$ (937,473)	$ 20,680,869	$ 968,554

Long-term commitments at December 31, 2025 are comprised of the following:

General Government Commitments	
Revenue Bonds:	
Series 2020A Sales Tax Revenue Refunding Bonds including interest at 1.85%. Due in semiannual payments, maturing in September 2031. Financed through the Capital Improvement Fund. Interest paid for the year ended December 31, 2025 was $38,937.	$ 1,726,782
Series 2020B Sales Tax Revenue Refunding Bonds including interest at 2.15%. Due in semiannual payments, maturing in May 2035. Financed through the 3rd Cent Sales Tax Fund. Interest paid for the year ended December 31, 2025 was $14,946.	649,327
Series 2024 Sales Tax Revenue Refunding Bonds including interest at 4.50%. Due in semiannual payments, maturing in December 2049. Financed through the Capital Improvement Fund. Interest paid for the year ended December 31, 2025 was $631,065.	13,665,000
	$ 16,041,109
Business-type Commitments	
Revenue Bonds:	
2017 Clean Water SRF Revenue Bond including interest at 2.25%. Due in quarterly payments, maturing in November 2038. Financed through the Sewer Fund. Interest paid for the year ended December 31, 2025 was $34,829.	$ 1,486,887
2017 Drinking Water SRF Revenue Bond including interest at 2.25%. Due in quarterly payments, maturing in November 2038. Financed through the Water Fund. Interest paid for the year ended December 31, 2025 was $4,343.	185,424
2019 Clean Water SRF Revenue Bond including interest at 2.50%. Due in quarterly payments, maturing in February 2041. Financed through the Sewer Fund. Interest paid for the year ended December 31, 2025 was $38,207.	1,478,914

NOTE 5 - COMMITMENTS (CONTINUED)

2024 Drinking Water Revenue Borrower Bond including interest at 1.625%. Due in quarterly payments, maturing in May 2057. Financed through the Water Fund. Interest paid for the year ended December 31, 2025 was $0. The first payment is due in February 2027 and consists solely of interest in the amount of $61,569.	1,206,635
2023 Solid Waste Management Program Revenue Bond including interest at 3.00%. Due in semiannual payments, maturing in June 2044. Financed through the Landfill Fund. Interest paid for the year ended December 31, 2025 was $7,515.	281,900
	$ 4,639,760

Annual debt service requirements to maturity for general governmental long-term debt outstanding as of December 31, 2025 are as follows:

Year Ending December 31,	Revenue Bonds Governmental Activities Principal	Revenue Bonds Governmental Activities Interest	Revenue Bonds Business-type Activities Principal	Revenue Bonds Business-type Activities Interest
2026	$ 764,974	$ 666,690	$ 203,580	$ 81,283
2027	650,279	642,423	242,498	159,555
2028	679,263	619,799	259,508	99,119
2029	697,606	596,005	265,407	93,220
2030	725,866	571,395	271,444	87,183
2031-2035	2,833,121	2,479,664	1,452,796	340,340
2036-2040	2,840,000	1,847,038	1,322,864	172,818
2041-2045	3,490,000	1,194,388	402,709	81,747
2046-2050	3,360,000	382,031	218,954	38,175
	$ 16,041,109	$ 8,999,433	$ 4,639,760	$ 1,153,440

NOTE 6 - PLEDGED REVENUES

In accordance with certain debt agreements, the City has pledged revenues for the repayment of debt obligations.

All Water Fund net revenue (after normal operating, repair, and maintenance expenses) is pledged to secure two drinking water revenue bonds. The bonds were incurred to cover the cost of water improvements. Revenues collected during the year ended December 31, 2025 were $1,426,365. Bond payments of $12,147 were made during the year ended December 31, 2025.

All Sewer Fund revenue is pledged to secure two Clean Water SRF Revenue Bonds. The bonds were incurred to cover the cost of sewer improvements. Revenues collected during the year ended December 31, 2025 were $1,362,260. Bond payments of $176,136 were made during the year ended December 31, 2025.

NOTE 7 - LEASES

The City leases various pieces of equipment as the lessee under financing agreements. Future lease payments due as of December 31, 2025 are comprised of the following:

General Government	
Equipment lease for a copier. Due in monthly installments of $184 through February 2031. Financed through the General Fund. Interest paid for the year ended December 31, 2025 was $0.	$ 11,561
Equipment lease for a tractor. Due in annual installments of $7,391 through May 2027. Financed through the General Fund. Interest paid for the year ended December 31, 2025 was $0.	14,782
Equipment lease for sports complex lighting including interest at 4.994%. Due in annual installments of $191,131 through January 2032. Financed through the 3rd Cent Sales Tax Fund. Interest paid for the year ended December 31, 2025 was $61,707.	1,106,196
Equipment lease for a sweeper. Due in annual installments of $74,264 through March 2028. Financed through the General Fund. Interest paid for the year ended December 31, 2025 was $0.	222,792
Equipment lease for a tractor including interest at 6.65%. Due in annual installments of $8,649 through January 2028. Financed through the General Fund. Interest paid for the year ended December 31, 2025 was $2,015.	22,757
	$ 1,378,088
Business-type	
Equipment lease for a wheel loader including interest at 6.39%. Due in annual installments of $39,444 through September 2027 and a final payment of $180,000 in September 2028. Financed through the Landfill Fund. Interest paid for the year ended December 31, 2025 was $15,667.	$ 221,399
Equipment lease for a skid steer including interest at 5.39%. Due in annual installments of $19,986 through March 2027 and a final payment of $55,000 in March 2028. Financed through the Water and Sewer Funds. Interest paid for the year ended December 31, 2025 was $5,315.	83,943
Equipment lease for a skid steer including interest at 5.39%. Due in annual installments of $10,691 through January 2027 and a final payment of $42,000 in January 2028. Financed through the Water and Sewer Funds. Interest paid for the year ended December 31, 2025 was $3,393.	55,649
Equipment lease for an excavator. Due in annual installments of $18,439 through January 2029. Financed through the Water Fund. Interest paid for the year ended December 31, 2025 was $0.	73,754

NOTE 7 - LEASES (CONTINUED)

Equipment lease for a loader including interest of 5.49%. Due in annual installments of $38,187 through May 2029 and a final payment of $115,000 in May 2030. Financed through the Landfill Fund. Interest paid for the year ended December 31, 2025 was $0.	221,915
Equipment lease for an articulated haul truck including interest of 5.99%. Due in annual installments of $86,710 through January 2030 and a final payment of $135,000 in March 2030. Financed through the Landfill fund. Interest paid for the year ended December 31, 2025 was $0.	469,433
	$ 1,126,093

Annual lease payments to maturity for all leases with the City as lessee outstanding as of December 31, 2025 are as follows:

Year Ending December 31,	Equipment Leases Governmental Activities		Equipment Leases Business-type Activities	
	Principal	Interest	Principal	Interest
2026	$ 226,833	$ 56,804	$ 155,797	$ 57,659
2027	234,106	49,531	159,543	53,913
2028	234,359	41,887	374,699	45,637
2029	159,482	33,851	119,018	24,317
2030	167,336	25,997	183,265	18,445
2031 -2035	355,972	26,841	133,771	1,231
	$ 1,378,088	$ 234,911	$ 1,126,093	$ 201,202

The City leases various properties as the lessor under financing agreements. Future lease payments owed as of December 31, 2025 are comprised of the following:

<u>General Government</u>

Property lease for a hangar. Due in annual installments of $288 through August 2055. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	$ 8,640
Property lease for hangar. Due in annual installments of $150 through March 2048. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	3,450
Property lease for a hangar. Due in annual installments of $960 through August 2055. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	28,800
Property lease for a hangar. Due in annual installments of $216 through August 2055. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	6,426

NOTE 7 - LEASES (CONTINUED)

Property lease for a hangar. Due in annual installments of $2,292, $2,521, and $2,774 through March 2029, respectively. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	7,587
Property lease for a hangar. Due in annual installments of $216 through August 2055. Recognized in the General Fund. Interest earned for the year ended December 31, 2025 was $0.	10,800
	$ 65,703

Annual lease payments to maturity for all leases with the City as lessor outstanding as of December 31, 2025 are as follows:

Year Ending December 31,	Equipment Leases Governmental Activities Principal	Interest
2026	$ 4,266	$ -
2027	4,495	-
2028	4,748	-
2029	1,974	-
2030	1,974	-
2031 - 2035	9,870	-
2036 - 2040	9,870	-
2041 - 2045	9,870	-
2046 - 2050	9,570	-
2051 - 2055	9,066	-
	$ 65,703	$ -

NOTE 8 - TAX ABATEMENTS

The City has active TIF (Tax Increment Financing) districts for debt to fund the construction of private development within the City. Under the TIF agreements, property tax increments received by the City are collected to cover eligible project expenses approved by resolution by the City Council, as allowed by South Dakota Codified Law Section 11-9. When all approved project costs are paid or the TIF is dissolved in accordance with state statutes, all property tax revenue will be distributed to the appropriate taxing entities.

NOTE 9 - RESTRICTED NET POSITION

The following table shows restricted net position and the purpose for such restrictions as shown in the Statement of Net Position - Modified Cash Basis for the year ended December 31, 2025:

Purpose	Restricted By	Amount
Cemetery	Funding Source	$ 123,455
Capital Projects	Law	10,211,173
City Promotion	Law	254,811
Customer Deposits	Contract Restrictions	48,986
Debt Service	Debt Covenants	123,013
Donor Restricted	Funding Source	129,694
Landfill Post Closure Costs	Law	1,056,451
		$ 11,947,583

NOTE 10 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2025 were as follows:

	Transfer To:				
Transfer From:	General Fund	Police Building Fund	Liquor Fund	Sewer Fund	Total
General Fund	$ -	$ -	$ 1,841	$ -	$ 1,841
Capital Improvement Fund	-	14,319,589	-	-	14,319,589
Day Street Lift Station Fund	-	-	-	165,000	165,000
Landill Fund	1,600,000	-	-	-	1,600,000
	$ 1,600,000	$ 14,319,589	$ 1,841	$ 165,000	$ 16,086,430

The City made a transfer from the General Fund to the Liquor Fund to close out the Liquor Fund as it is no longer operational.

The City made the transfer from the Capital Improvement Fund to the Police Building Fund to establish the Police Building Fund.

The City made the transfer from the Day Street Lift Station Fund to the Sewer Fund to close out the Day Street Lift Station Fund, as that project is complete.

The City made the transfer from the Landfill Fund to the General Fund to supplement General Fund operations.

NOTE 11 - LANDFILL CLOSURE AND REGULATORY COMPLIANCE

The landfill operation is handled as an enterprise fund by the City. The plan for the operation of the disposal site is based on Administrative Rules of the State of South Dakota (ARSD) 74:27:13. Plans for the operation and various contingencies have been prepared for and are available at the office of the county auditor.

The site as established has a total 2025 capacity of 2,812,451 cubic yards with an estimated life expectancy of 23.1 years.

NOTE 11 - LANDFILL CLOSURE AND REGULATORY COMPLIANCE (CONTINUED)

Financial assurances for corrective action are only required at facilities with known releases of contaminants. The City of Belle Fourche has not had any known releases of contaminants.

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City accrues a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The landfill has a capacity of 2,812,451 cubic yards of which 1,413,872 cubic yards (or 50.3%) have been filled by December 31, 2025. Based on being 50.3% filled, the estimated closure and post-closure costs at December 31, 2025 are $1,023,567 and are covered by $1,056,451 of restricted savings. As such, there is no present liability. Total closure cost and post-closure cost are estimated to be $2,034,924.

The City is required by the Department of Agriculture and Natural Resources to deposit funds into a separate account to finance closure and post-closure costs. At December 31, 2025, the City had $1,056,451 in this separate account to cover the liability for closure and post-closure costs.

Actual closure and post-closure costs may be higher or lower due to inflation, expansions, changes in technology, or changes in regulations.

NOTE 12 - PENSION PLAN

Plan Information

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

Benefits Provided

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

NOTE 12 - PENSION PLAN (CONTINUED)

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

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

Legislation enacted in 2017 established the current COLA process. At each valuation date:

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

Legislation enacted in 2021 reduced the maximum COLA from 0.5% to 0%.

All benefits except those depending on the Member’s Accumulated Contributions are annually increased by the cost-of-living adjustment.

NOTE 12 - PENSION PLAN (CONTINUED)

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The City's share of contributions to the SDRS for the calendar years ended December 31, 2025, 2024, and 2023 were $281,106, $286,596, and $241,943, respectively, and were equal to the required contributions each year.

Pension Liabilities (Assets)

At June 30, 2025, SDRS was 100.06% funded and accordingly, has a net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System, for the City as of this measurement period ending June 30, 2025 and reported by the City as of December 31, 2025 are as follows:

Proportionate Share of Total Pension Liability (Asset)	$ 23,621,038
Less: Proportionate Share of Net Position Restricted for Pension Benefits	23,634,201
Proportionate Share of Net Pension Liability (Asset)	$ (13,163)

At December 31, 2025, the City had a liability (asset) of $(13,163) for its proportionate share of the net pension liability (asset). This asset is not reflected in the financial statements. The net pension liability (asset) was measured as of June 30, 2025 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on the projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. As of June 30, 2025, the City's proportion was 0.1547600% which is an increase of 0.005268% from its proportion measured as of June 30, 2024.

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.56%

NOTE 12 - PENSION PLAN (CONTINUED)

Mortality Rates

- All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2021
- Active and Terminated Vested Members:
  - Teachers, Certified Regents, and Judicial: PubT-2010
  - Other Class A Members: PubG-2010
  - Public Safety Members: PubS-2010
- Retired Members:
  - Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
  - Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
  - Public Safety Retirees: PubS-2010, 102% of rates at all ages
- Beneficiaries:
  - PubG-2010 contingent survivor mortality table
- Disabled Members:
  - Public Safety: PubS-2010 disabled member mortality table
  - Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

NOTE 12 - PENSION PLAN (CONTINUED)

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for the management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed-income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.9%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
	100.0%	

Discount Rate

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

Sensitivity of Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability (Asset)	$ 3,225,866	$ (13,163)	$ (2,666,701)

NOTE 12 - PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

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

NOTE 13 - JOINT VENTURES

The City participates in a joint venture, known as Butte County Ambulance, formed for the purpose of providing ambulance services to residents of Butte County, Belle Fourche, and Newell.

The members of the joint venture and their relative percentage of participation are as follows:

Butte County	45%
Belle Fourche	45%
Newell	10%

The joint venture's governing board is composed of two representatives each from Butte County and Belle Fourche, and one representative from Newell. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The City of Belle Fourche retains no equity in the net position of the joint venture but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Butte County Ambulance Service at 605 6th Avenue, Belle Fourche, SD 57717.

In the most recent financial statements, the joint venture reported unaudited 2024 cash receipts of $536,757 and cash disbursements of $738,951, resulting in a deficit of $202,194. The joint venture reported no long-term debt.

NOTE 14 - RELATED-PARTY TRANSACTIONS

During the year ended December 31, 2025, the City paid out an agreed-upon subsidy to the Belle Fourche Development Corporation (BFDC) totaling $76,500. BFDC is considered a related party because it is financially dependent on subsidies received from the City.

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2025, the City managed risks as follows:

Unemployment Benefits

The City provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

During the year ended December 31, 2025, no claims for unemployment benefits were paid. At December 31, 2025, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

Health Insurance

The City purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

NOTE 15 - RISK MANAGEMENT (CONTINUED)

Liability Insurance

The City joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk-sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and to provide them with risk management services, loss control, and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays a Members' Annual Operating Contribution, to provide liability coverage detailed below, under an occurrence-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for general liability, cyber liability, automobile liability and damage, law enforcement liability, property, and equipment breakdown.

The City carries a $0 deductible for the General Liability coverage, a $15,000 deductible for the Cyber Liability coverage, a $5,000 deductible for the Auto Liability coverage, and a $2,000 deductible for the Law Enforcement Liability coverage.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Airport Liability Coverage

The City has purchased airport liability coverage through a commercial insurance carrier. This insurance covers personal injury and advertising injury, malpractice, fire damage, and medical expense. These coverages are provided to a $1,000,000 limit for each occurrence of personal and advertising injury and malpractice, respectively, to a $50,000 limit for any one fire, and to a $5,000 medical expense for any one person.

Worker's Compensation

The City joined the South Dakota Municipal League Worker's Compensation Fund (the Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities.

The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims.

The City pays an annual premium to provide worker's compensation coverage for its employees under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of an additional $2,000,000 per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

NOTE 16 - SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the City was issued a $283,600 Solid Waste Management grant and a $2,552,400 Clean Water State Revolving Fund Loan, including interest at 3.75% for 20 years to finance the Landfill Cell #3 Construction Project. The loan will be financed through the Landfill Fund.

The City has considered subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

City of Belle Fourche, South Dakota
Budgetary Comparison Schedule - Modified Cash Basis - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Budgetary Basis - Actual	Positive (Negative)
	Original	Final	Amounts	Variance
RECEIPTS				
Taxes:				
General Property Taxes	$ 2,150,070	$ 2,150,070	$ 1,805,610	$ (344,460)
General Sales and Use Taxes	2,072,000	2,072,000	2,016,453	(55,547)
Tourism Taxes	9,000	9,000	8,960	(40)
Penalties and Interest on Delinquent Taxes	6,000	6,000	5,982	(18)
Licenses and Permits	159,850	159,850	158,899	(951)
Intergovernmental Receipts:				
Federal Grants	-	-	40,209	40,209
State Grants	-	-	87,346	87,346
State Shared Receipts:				
Bank Franchise Tax	20,000	20,000	19,062	(938)
Prorate License Fee	11,000	11,000	10,886	(114)
Liquor Tax Reversion	38,000	38,000	37,514	(486)
Motor Vehicle Licenses	84,000	84,000	84,143	143
Local Government Highway and Bridge Fund	87,000	87,000	87,039	39
County Shared Receipts:				
County Road Tax	10,900	10,900	10,830	(70)
County Road and Bridge Tax	33,200	33,200	33,134	(66)
County Wheel Tax	11,800	11,800	11,761	(39)
Other Intergovernmental Receipts	6,800	6,800	6,774	(26)
Charges for Goods and Services:				
General Government	800	800	765	(35)
Public Safety	400	400	330	(70)
Public Works	1,000	1,000	915	(85)
Culture and Recreation	451,500	451,500	451,492	(8)
Cemetery	21,700	21,700	21,700	-
Other	21,800	21,800	21,782	(18)
Fines and Forfeits:				
Court Fines and Costs	9,100	9,100	9,035	(65)
Parking Fines	400	400	325	(75)
Library Fines	4,700	4,700	4,644	(56)
Other	2,000	2,000	1,965	(35)
Miscellaneous Receipts:				
Interest Income	11,400	11,400	36,765	25,365
Rent	67,700	67,700	64,528	(3,172)
Special Assessments	14,600	14,600	14,524	(76)
Contributions and Donations from Private Sources	500	500	27,659	27,159
Other	110,900	110,900	108,935	(1,965)
Total Receipts	5,418,120	5,418,120	5,189,966	(228,154)

See independent auditor’s report and notes to the supplementary information.

City of Belle Fourche, South Dakota
Budgetary Comparison Schedule - Modified Cash - General Fund
(Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts		Budgetary Basis - Actual	Positive (Negative)
	Original	Final	Amounts	Variance
DISBURSEMENTS				
General Government:				
Legislative	151,374	151,374	146,150	5,224
Contingency	50,000	22,400	-	22,400
Executive	45,611	45,611	41,181	4,430
Elections	3,900	3,900	1,705	2,195
Financial Administration	201,769	201,769	161,423	40,346
Other	1,027,501	1,073,501	1,076,732	(3,231)
Public Safety:				
Police	2,832,436	2,832,436	2,630,216	202,220
Fire	276,000	276,000	256,126	19,874
Protective Inspection	198,637	198,637	179,135	19,502
Public Works:				
Highways and Streets	709,938	709,938	517,547	192,391
Sanitation	19,000	19,000	327	18,673
Airport	126,400	127,700	127,319	381
Cemeteries	352,534	352,534	267,296	85,238
Health and Welfare	78,025	78,025	67,265	10,760
Culture and Recreation:				
Recreation	1,098,114	1,123,114	1,044,180	78,934
Parks	529,477	529,477	261,076	268,401
Library	340,395	340,395	319,750	20,645
Auditorium	10,000	10,000	8,338	1,662
Museum	504,986	504,986	427,190	77,796
Conservation and Development	238,175	238,175	234,902	3,273
Miscellaneous	11,000	12,300	12,210	90
Total Disbursements	8,805,272	8,851,272	7,780,068	1,071,204
EXCESS OF RECEIPTS UNDER DISBURSEMENTS	(3,387,152)	(3,433,152)	(2,590,102)	843,050
OTHER FINANCING SOURCES (USES)				
Transfers In	1,600,000	1,600,000	1,600,000	-
Transfers Out	-	(1,842)	(1,841)	1
Sale of Municipal Property	-	-	34,300	34,300
Insurance Proceeds	20,000	20,000	77,485	57,485
Net Other Financing Sources (Uses)	1,620,000	1,618,158	1,709,944	91,786
NET CHANGE IN FUND BALANCE	(1,767,152)	(1,814,994)	(880,158)	934,836
FUND BALANCE - BEGINNING	2,299,770	2,299,770	2,299,770	-
FUND BALANCE - ENDING	$ 532,618	$ 484,776	$ 1,419,612	$ 934,836

See independent auditor's report and notes to the supplementary information.

City of Belle Fourche, South Dakota
Budgetary Comparison Schedule - Modified Cash Basis - Capital Improvement Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Budgetary Basis - Actual	Positive (Negative)
	Original	Final	Amounts	Variance
RECEIPTS				
Taxes:				
General Sales and Use Taxes	$ 2,072,000	$ 2,072,000	$ 2,016,452	$ (55,548)
Intergovernmental Receipts:				
Federal Grants	390,000	390,000	410,758	20,758
State Grants	-	-	213,113	213,113
Miscellaneous Receipts:				
Interest Income	-	-	186,709	186,709
Contributions and Donations from Private Sources	-	-	145,589	145,589
Total Receipts	2,462,000	2,462,000	2,972,621	510,621
DISBURSEMENTS				
General Government:				
Other	500,000	500,000	436,688	63,312
Public Safety:				
Police	220,000	220,000	120,979	99,021
Fire	50,000	50,000	13,945	36,055
Public Works:				
Highways and Streets	2,779,500	2,779,500	1,036,923	1,742,577
Airport	150,000	590,000	328,154	261,846
Cemeteries	75,000	75,000	22,817	52,183
Culture and Recreation:				
Recreation	231,500	231,500	147,352	84,148
Parks	815,000	815,000	808,114	6,886
Museums	-	67,300	67,241	59
Debt Service	416,847	416,847	1,352,912	(936,065)
Total Disbursements	5,237,847	5,745,147	4,335,125	1,410,022
EXCESS OF RECEIPTS UNDER DISBURSEMENTS	(2,775,847)	(3,283,147)	(1,362,504)	1,920,643
OTHER FINANCING USES				
Transfers Out	-	(14,319,590)	(14,319,589)	1
NET CHANGE IN FUND BALANCE	(2,775,847)	(17,602,737)	(15,682,093)	1,920,644
FUND BALANCE - BEGINNING	12,323,270	12,323,270	12,323,270	-
FUND BALANCE - ENDING	$ 9,547,423	$ (5,279,467)	$ (3,358,823)	$ 1,920,644

See independent auditor’s report and notes to the supplementary information.

City of Belle Fourche, South Dakota
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
South Dakota Retirement System

Year *	City's Proportion of the Net Pension Liability/Asset	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/Asset
2025	0.1547600%	$ (13,163)	$ 4,232,404	0.31%	100.06%
2024	0.1494920%	$ (6,051)	$ 3,863,880	0.16%	100.03%
2023	0.1453630%	$ (14,188)	$ 1,906,821	0.74%	100.07%
2022	0.1372560%	$ (12,972)	$ 3,058,289	0.43%	100.10%
2021	0.1290740%	$ (988,486)	$ 2,733,235	36.17%	105.52%
2020	0.1233352%	$ (5,356)	$ 2,525,817	0.21%	100.04%
2019	0.1213765%	$ (12,863)	$ 2,423,208	0.53%	100.09%
2018	0.1193185%	$ (2,783)	$ 2,325,484	0.12%	100.02%
2017	0.1153980%	$ (10,472)	$ 2,208,462	0.47%	100.10%
2016	0.1231037%	$ 415,832	$ 2,194,516	18.95%	96.89%

* The amounts presented for each year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30.

City of Belle Fourche, South Dakota
Schedule of Pension Contributions
For the Years Ended December 31

Year	Contractually-required Contribution	Contributions in Relation to the Contractually-required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 281,106	$ 281,106	$ -	$ 4,284,903	6.6%
2024	$ 268,596	$ 268,596	$ -	$ 4,111,356	6.5%
2023	$ 241,943	$ 241,943	$ -	$ 3,761,579	6.4%
2022	$ 194,730	$ 194,730	$ -	$ 3,029,500	6.4%
2021	$ 171,800	$ 171,800	$ -	$ 2,673,606	6.4%
2020	$ 175,385	$ 175,385	$ -	$ 2,726,000	6.4%
2019	$ 176,315	$ 176,315	$ -	$ 2,759,075	6.4%
2018	$ 153,990	$ 153,990	$ -	$ 2,407,489	6.4%
2017	$ 144,969	$ 144,969	$ -	$ 2,274,752	6.4%
2016	$ 148,056	$ 148,056	$ -	$ 2,313,228	6.4%

See independent auditor’s report and notes to the supplementary information.

NOTE 1 - BASIS OF PRESENTATION

The Budgetary Comparison Schedules have been prepared on the modified cash basis of accounting and present capital outlay expenditures within each department rather than as separate functions similar to the Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the schedules:

1. At the first regular City Council meeting in September of each year or within ten days thereafter, the City Council introduces the annual appropriations ordinance for the ensuing fiscal year.
2. After adoption by the City Council, the operating budget is legally binding, and actual disbursements for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5% of the total city budget and may be transferred by resolution of the City Council to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year-end unless encumbered by resolution of the City Council. The City did not encumber any amounts at December 31, 2025.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

NOTE 3 - SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND SCHEDULE OF PENSION CONTRIBUTIONS

Changes from Prior Valuation:

The June 30, 2025 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2024, Actuarial Valuation.

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

Benefit Provision Changes

During the 2025 Legislative Session, no significant SDRS benefit changes were made.

Actuarial Method Changes

No changes in actuarial methods were made since the prior valuation.

NOTE 3 - SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)

Actuarial Assumption Changes

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

As of June 30, 2024, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2025 SDRS COLA was limited to a restricted maximum of 1.71%. For the June 30, 2024 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.71%.

As of June 30, 2025, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2026 SDRS COLA is limited to a restricted maximum of 1.56%. The July 2026 SDRS COLA will equal inflation, no less than 0% and no greater than 1.56%. For this June 30, 2025 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.56%.

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

City of Belle Fourche, South Dakota
Combining Balance Sheet - Modified Cash Basis - Nonmajor Governmental Funds
December 31, 2025

	Museum Gift Shop Fund	3rd Cent Sales Tax Fund	Kids and Cops Donation Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	TIF #4 Fund	Perpetual Care Fund	Total Governmental Funds
ASSETS									
Cash and Cash Equivalents	$ 179,105	$ 254,811	$ 13,358	$ 25,808	$ 66,939	$ 23,589	$ 123,013	$ 123,455	$ 810,078
TOTAL ASSETS	$ 179,105	$ 254,811	$ 13,358	$ 25,808	$ 66,939	$ 23,589	$ 123,013	$ 123,455	$ 810,078
FUND BALANCES									
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ 50,000
Restricted	-	254,811	13,358	25,808	66,939	23,589	123,013	73,455	580,973
Assigned	179,105	-	-	-	-	-	-	-	179,105
TOTAL FUND BALANCES	$ 179,105	$ 254,811	$ 13,358	$ 25,808	$ 66,939	$ 23,589	$ 123,013	$ 123,455	$ 810,078

See independent auditor's report.

City of Belle Fourche, South Dakota
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Museum Gift Shop Fund	3rd Cent Sales Tax Fund	Kids and Cops Donation Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund*	Total Governmental Funds
RECEIPTS										
Taxes:										
General Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ (38,239)	$ -	$ -	$ (38,239)
General Sales and Use Taxes	-	238,994	-	-	-	-	-	-	-	238,994
Charges for Goods and Services:										
General Government	51,013	-	-	-	-	-	-	-	-	51,013
Culture and Recreation	-	-	-	-	-	1,974	-	-	-	1,974
Cemetery	-	-	-	-	-	-	-	4,532	-	4,532
Other	-	60	-	-	-	4,736	-	1,139	-	5,935
Miscellaneous Receipts:										
Interest Income	426	1,299	-	64	166	53	-	317	-	2,325
Rentals	-	20,170	-	-	-	-	-	-	-	20,170
Contributions and Donations from Private Sources	-	-	13,358	5,116	6,623	3,932	-	-	-	29,029
Other	38	-	-	-	-	-	-	-	-	38
Total Receipts	51,477	260,523	13,358	5,180	6,789	10,695	(38,239)	5,988	-	315,771

*Funds with no assets, liabilities or fund balances are omitted from the schedule’s supporting balance sheet.

See independent auditor’s report.

City of Belle Fourche, South Dakota
Combining Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2025

	Museum Gift Shop Fund	3rd Cent Sales Tax Fund	Kids and Cops Donation Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund*	Total Governmental Funds
DISBURSEMENTS										
Culture and Recreation:										
Recreation	-	379,756	-	3,027	-	-	-	-	-	382,783
Library	-	-	-	-	25	-	-	-	-	25
Museums	29,176	-	-	-	-	8,008	-	-	-	37,184
Debt Service	-	75,934	-	-	-	-	-	-	-	75,934
Capital Outlay	-	5,280	-	-	-	176	-	-	-	5,456
Total Disbursements	29,176	460,970	-	3,027	25	8,184	-	-	-	501,382
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	22,301	(200,447)	13,358	2,153	6,764	2,511	(38,239)	5,988	-	(185,611)
OTHER FINANCING SOURCES (USES)										
Transfers Out	-	-	-	-	-	-	-	-	(165,000)	(165,000)
Sale of Municipal Property	-	675	-	-	-	-	-	-	-	675
Net Other Financing Sources (Uses)	-	675	-	-	-	-	-	-	(165,000)	(164,325)
NET CHANGE IN FUND BALANCE	22,301	(199,772)	13,358	2,153	6,764	2,511	(38,239)	5,988	(165,000)	(349,936)
FUND BALANCE - BEGINNING	156,804	454,583	-	23,655	60,175	21,078	161,252	117,467	165,000	1,160,014
FUND BALANCE - ENDING	$ 179,105	$ 254,811	$ 13,358	$ 25,808	$ 66,939	$ 23,589	$ 123,013	$ 123,455	$ -	$ 810,078

*Funds with no assets, liabilities or fund balances are omitted from the schedule's supporting balance sheet.

See independent auditor's report.

City of Belle Fourche, South Dakota
City Officials
For the Year Ended December 31, 2025

MAYOR

Randy Schmidt

COUNCIL MEMBERS

Kristal Steeves

Clark Sowers

Dean Bruner

Tricia Fowler

Bob Somervold

CITY ADMINISTRATOR

Jason LaFayette

FINANCE OFFICER

Wayne Tonsager

See independent auditor’s report.