

CITY OF BELLE FOURCHE
BELLE FOURCHE, SOUTH DAKOTA
FINANCIAL REPORT
FOR THE TWO YEARS ENDING DECEMBER 31, 2021
WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
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CITY OF BELLE FOURCHE
BELLE FOURCHE, SOUTH DAKOTA

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FOR THE TWO YEARS ENDING DECEMBER 31, 2021

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NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, PC

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Madison, South Dakota 57042
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Governing Board
City of Belle Fourche
Belle Fourche, South Dakota

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinions:

I have audited the accompanying financial statements of governmental activities, business-type activities, and each major fund of the City of Belle Fourche (City), Butte County, South Dakota, as of December 31, 2021 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

My opinions, except for the possible effects of the matters described in the "Basis for Qualified Opinions" paragraph below, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of governmental activities, business-type activities and each major fund the City of Belle Fourche, South Dakota, as of December 31, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in note 1.c to these financial statements.

Basis for Qualified Opinions:

In June 2021 the City changed its accounting software from Banyon to Simple City. In the process some 5 months of Banyon activity was re-entered into Simple City software, which may have resulted in coding errors. For example, it is noted that from 2020 to 2021 water revenue dropped by \$54,147 or 5%; sewer revenue dropped by \$160,468 or 15%; and garbage revenue dropped by \$85,740 or 15%. However, water, sewer, and garbage rates were increased in 2021 and the City's population increased in 2021, from about 5,600 to 5,700. The population in 2022 is 5,960. Also, a June 1, 2021 deposit of \$275,195 from the State of South Dakota was posted to the City's bank statement, but was not entered into the general ledger. This coding error was corrected in these financial statements.

Conduct of the Audit:

I conducted my 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 (*Government Auditing Standards*), issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Audit's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Belle Fourche and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Management Responsibilities 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.c to these financial statements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements:

My objectives are to obtain reasonable assurance about whether the modified cash basis 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 my 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 *Government Auditing Standards*, I:

- > 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 my 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.

I am 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 I identified during the audit.

Other Matters - Basis of Accounting

I draw attention to note 1c of these financial statements, which describes the basis of accounting. These 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. My opinion is not modified with respect to this matter.

Other Matters - Other Supplementary Information (No Opinion)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 5 to 10), the budgetary comparison schedules (page 40 to 46), and pension schedules (page 50 to 51) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Supplementary Information (Opinion)

My audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the City of Belle Fourche's financial statements.

The schedule of changes in long-term debt (page 47 and 49) is presented for the purpose of additional analysis and is not a required part of the modified cash basis of accounting financial statements.

The accompanying schedule of expenditures of federal awards (page 57) is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

The schedule of changes in long-term debt and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the modified cash basis of accounting financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

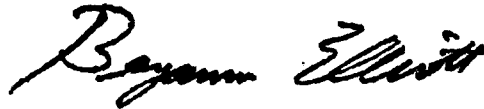
In my opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinions" paragraph above, the schedule of changes in long-term debt is fairly stated, in all material respects, in relation to the modified cash basis of accounting financial statements as a whole

In my opinion the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the modified cash basis of accounting financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 7, 2022 (page 52) on my consideration of the City of Belle Fourche's internal control over financial reporting and on my tests of 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

A handwritten signature in black ink that reads "Benjamin Elliott". The signature is written in a cursive, flowing style.

September 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Our discussion and analysis of the City of Belle Fourche's (City) financial performance provides an overview of the City's financial activities for the two years ending December 31, 2021, within the limitations of the City's modified cash basis of accounting. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS	2021	2020
Receipts:		
Charges for goods and services	7,029,919	7,089,028
Operating grants	730,530	1,123,924
Capital grants, contributions	477,193	477,529
General receipts	6,290,044	5,651,813
Bond proceeds	708,369	5,980,287
	-----	-----
Total	15,236,055	20,322,581
	-----	-----
Disbursements:		
Governmental	7,394,222	14,428,600
Business-type	5,749,360	4,794,085
	-----	-----
Total	13,143,582	19,222,685
	-----	-----
Increase (Decrease) in Net Position	2,092,473	1,099,896
Net Position:		
December 31, 2019		11,672,309

December 31, 2020	12,772,205	12,772,205
	-----	=====
December 31, 2021	14,864,678	
	=====	
Governmental Funds:		
General	6,093,313	4,942,234
3rd Cent	502,152	432,203
Debt Service	0	0
Other governmental funds	518,146	(921,801)
Business-Type Funds:		
Liquor	618,019	385,991
Water	1,451,957	2,252,926
Sewer	903,779	1,093,768
Landfill	4,777,312	4,586,884
	-----	-----
Total	14,864,678	12,772,205
	=====	=====

During the year ending December 31, 2021:

The City of Belle Fourche:

- * Received \$2,034,909 from property taxes.
- * Received \$3,732,911 from sales taxes.
- * Established a museum capital reserve fund with a \$771,723 transfer from an existing money market account.
- * Received SRF loan proceeds of \$708,369 for the Day Street Lift Station project on which it spent \$48,878.
- * The general fund received an operating transfer of \$80,000 from the liquor fund and \$500,000 from the landfill fund.
- * Restricted \$50,000 of landfill cash for closure/post closure cost purposes.
- * Restricted \$509,835 of Local Fiscal Recovery Fund cash for use in 2022.
- * Made principal payments of \$611,148 on 6 loans. The City is current on all loans. See page 47 for more information.

During the year ending December 31, 2020:

The City of Belle Fourche:

- * Received \$1,937,807 from property taxes.
- * Received \$3,214,825 from sales taxes.
- * Received SRF loan proceeds of \$1,127,631 for the Day Street Lift Station project on which it spent \$2,235,113.
- * The general fund received an operating transfer of \$80,000 from the liquor fund and \$500,000 from the landfill fund.
- * Restricted \$50,000 of landfill cash for closure/post closure cost purposes.
- * Payed off 3 loans for \$5,264,289 with proceeds of \$4,852,656 from 2 new loans and the use of \$476,873 cash restricted for loan payments.
- * Made principal payments of \$655,448 on 6 loans. The City is current on all loans. See page 47 for more information.

BRIEF DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

This financial report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement-34.

The financial report consists of three parts: (1) management's discussion and analysis (page 5 to 10) as supplementary information, (2) the basic financial statements (page 11 to 39) and (3) additional supplementary information (page 40 to 51). The basic financial statements include two types of statements that present the City from two different financial points of view.

Government-wide financial statements (View #1):

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

Fund financial statements (View #2):

The remaining financial statements are fund financial statements that focus on significant operations of the governmental, enterprise, and fiduciary activities of the City.

The governmental fund financial statements tell how general governmental services were financed in the short-term, as well as what remains for future spending. Governmental funds operated by the City during 2020 and 2021 are the general, 3rd cent, BFACC donation, library memorial, museum memorial, debt service, TIF #4 debt service, perpetual care, Day Street lift station, and museum capital reserve funds.

The enterprise fund financial statements offer short-term and long-term financial information about the activities of the City that operate like a business. Enterprise funds operated by the City are the liquor, water, sewer, and landfill funds.

The fiduciary fund financial statements provide information about the financial status of activities in which the City acts solely as a trustee or agent for the benefit of those groups to whom these funds belong. The City had no fiduciary funds during 2020 and 2021.

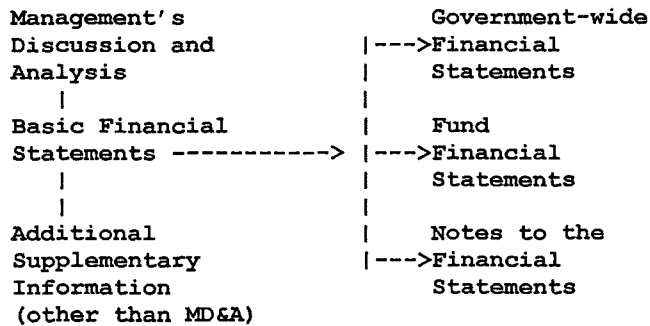
The financial statements include notes that explain in more detail some of the information found in the financial statements. The financial statements are also followed by a section of supplementary information that presents (1) a budgetary analysis for the general fund and major special revenue funds with budgets, (2) a schedule of changes in long-term debt, (3) schedules of the City's pension activities.

Supplementary Information:

The management's discussion and analysis (page 5 to 10), budgetary comparison schedules (page 40 to 46), schedule of long-term debt (page 47 to 49), pension schedules (page 50 and 51) and the schedule of expenditures of federal awards (page 57) provide readers of this report with additional data that supplements the government-wide statements and fund financial statements.

The budgetary comparison schedule is presented on a budgetary basis of accounting, which reports capital expenditures within their respective expenditure function rather than as a separate capital outlay expenditure.

Here is an overview of the City's financial statements.



This is a summary of the major features of these financial statement.

	Government-wide Statements	-----Fund Statements-----	
		Governmental Funds	Enterprise Funds
Scope	Entire City	City activities except enterprise funds	Activities operated like a private business (ie: water)
Required Modified cash Basis Financial Statements	Statement of Net Position Statement of Cash Activities	Balance Sheet Stmt. of Cash Receipts Disbursements and Changes in Fund Balances	Stmt. of Net Position Stmt. of Cash Receipts, Disbursements and Changes in Net Position Stmt. of Cash Flows
Basis of Accounting	Modified Cash	Modified Cash	Modified Cash
Measurement Focus	Modified Cash	Modified Cash	Modified Cash
Types of assets	Cash, CDs Investments	Cash, CDs, Investments	Cash, CDs Investments
Liabilities	None reported	None reported	None reported
Types of Receipts and Disbursements	Cash receipts and Cash disbursements	Cash receipts Cash disbursements	Cash receipts Cash disbursements

BASIS OF ACCOUNTING

The 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 (receipts) and expenses (disbursements) are recorded when they result from cash transactions.

As a result of the use of the modified cash basis of accounting, certain assets (such as inventory and capital assets), liabilities (such as accounts payable and long-term debt) and expenses (such as depreciation) are not recorded in these financial statements. Therefore, when reviewing the financial information presented in this report, the reader should keep in mind the limitations resulting from the use of this modified cash basis of accounting.

GOVERNMENT-WIDE STATEMENTS
(Reporting on the City as a whole)

The government-wide statements (page 11 to 13) report information about the City as a whole using modified cash accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's cash, certificates of deposit and investments. The statement of activities includes all of the year's receipts and disbursements.

The two government-wide statements report the City's net position and how its has changed. Net position is the City's petty cash, checking accounts, savings accounts, certificates of deposit, and investments (if any). The change in these accounts is one way to measure the City's financial health. Increases or decreases in net position measures improvements or declines in the City's financial health. To assess the City's overall financial health you also need to consider other factors such as changes in the property tax base, and/or sales tax receipts generated from local businesses.

The government-wide financial statements have two broad categories of information: governmental activity and business-type activity.

The governmental activities include operation of the government such and City Council, public safety, streets and highway, snow removal, airport, cemetery, and recreational programs. Property taxes, sales taxes, revenue from the state, user fees and interest earnings finance most of these activities.

Business-type activities account for the City's liquor, water, sewer, and landfill operations. These operations are financed mostly by user fees. Bonds and federal and state grants help pay for capital improvements.

FUND FINANCIAL STATEMENTS
(Reporting on the City's most significant funds)

The fund financial statements (page 14 to 23) provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting tools used to keep track of the City's receipts and disbursements. State law requires the use of some funds and the City Council establishes other funds to manage money for a specific purpose, like a capital project.

The fund financial statements show information in two broad categories: governmental and enterprise.

Governmental funds: Most of the City's basic services are included in the governmental funds, which focus on (1) how cash flows in and out of that fund, and (2) cash balances left at year-end which are available for spending in the next year. The governmental funds financial statements provide detail that helps you determine whether there is more or fewer cash resources available for spending in the near future to finance City programs.

Enterprise funds: Services for which the City charges the customer a fee are generally reported in enterprise funds. These funds account for cash and receipt and disbursement of cash, the same as the governmental funds. The liquor, water, sewer and landfill funds are the only enterprise funds maintained by the City.

Fiduciary funds: The City can be the custodian (or fiduciary) for various internal and external parties. As such, the City would be responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities would be reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. Fiduciary funds are excluded from the City's government-wide financial statements because the City can not use these assets to finance City's operations. The City had no fiduciary funds during 2020 or 2021.

MATERIAL CHANGES IN STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

(Material changes for governmental activities = changes greater than \$500,000)
(Material changes for business-type activities = changes greater than \$400,000)

== 2021 ==	Increase (Decrease)	Reason
<u>Governmental Activities:</u>		
Cash and equivalents	2,660,000	Excess receipts over disbursements.
Revenue from taxes	623,000	Additional property and sales taxes.
Public works	(1,952,000)	Day Street lift station project completed.
Debt service	(5,444,000)	Refinancing completed in 2020.
Debt proceeds	(5,272,000)	Refinancing completed in 2020.
Transfers in	717,000	Established museum capital reserve fund
<u>Business-type Activities:</u>		
Cash and equivalents	(568,000)	Excess disbursements over receipts
Sewer expenses	502,000	More capital projects.
Transfers out	(717,000)	Established museum capital reserve fund
== 2020 ==		
<u>Governmental Activities:</u>		
Operating grants	1,110,000	COVID-19
Public works	1,042,000	Day Street lift station project.
Culture and recreation	(995,000)	Roundup grounds improvements completed in prior year
Debt service	5,358,000	Refinancing completed in 2020.
Debt proceeds	5,980,000	Refinancing completed in 2020.
<u>Business-type Activities:</u>		
Cash and equivalents	1,385,000	Excess receipts over disbursements.
Charges for services	726,000	Rate increase and more customers
Sewer expenses	(442,000)	Fewer capital projects.

SIGNIFICANT VARIATIONS BETWEEN ORIGINAL AND FINAL GENERAL FUND BUDGET

The City's general fund budget of \$11,089,198 for the 2021 year is an increase of \$2,882,788 or 35.12% from 2020. The increase was mainly in the streets and museum budget lines. There were supplemental appropriations to the general fund budget totaling \$209,698 over several lines. See page 40 for more information.

The City's general fund budget of \$8,206,410 for the 2020 year is a decrease of \$528 or 0.01% from 2019. The decrease was across several budget lines. There were no supplemental appropriations to the general fund budget. See page 41 for more information.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Significant capital asset is reported above.

SIGNIFICANT LONG-TERM DEBT ACTIVITY

Significant long-term debt activity is reported above. City is current on all long-term debt. See page 47 for more information.

CURRENTLY KNOWN FACTS

In March 2022 the City awarded Lawrence Street Phase II construction improvements for \$651,668. Engineering is expected to cost \$120,000.

In March 2022 the City awarded Belle Fourche Regional Landfill Improvements for \$692,664. New cell liner at the Landfill is expected to cost \$1.2 million.

On June 12, 2022 the City experienced hail damage of some \$3,000,000 which is expected to be covered by insurance and FEMA assistance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Belle Fourche's business office at 511 Sixth Avenue, Belle Fourche, SD 57717.

CITY OF BELLE FOURCHE
 TABLE 1 - NET POSITION (condensed and in thousands)
 BASED ON GOVERNMENT-WIDE FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2021, 2020 AND 2019

	Governmental Activities			Business-Type Activities			Total Government		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Assets:									
Current assets:									
Cash	3,146	1,830	3,610	3,627	4,246	6,099	6,773	6,076	9,709
Savings and money market	2,801	2,030		3,419	3,418	230	6,220	5,448	230
Current assets, restricted:									
Cash	881	308	652			605	881	308	1,257
Savings and money market	285	285	320	705	655		990	940	320
Certificates of deposit			156				0	0	156
Total assets	7,113	4,453	4,738	7,751	8,319	6,934	14,864	12,772	11,672
Liabilities:									
None reported (cash basis)									0
Total liabilities	0	0	0	0	0	0	0	0	0
Net position:									
Restricted	1,166	593	1,128	705	655	605	1,871	1,248	1,733
Unrestricted	5,947	3,860	3,610	7,046	7,664	6,329	12,993	11,524	9,939
Total net position	7,113	4,453	4,738	7,751	8,319	6,934	14,864	12,772	11,672

TABLE 2 - CHANGES IN NET POSITION (condensed and in thousands)
 BASED ON GOVERNMENT-WIDE FINANCIAL STATEMENTS
 FOR THE THREE YEARS ENDING DECEMBER 31, 2021

	Governmental Activities			Business-Type Activities			Total Government		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Revenues:									
Program revenues:									
Charges for services	595	389	550	6,435	6,700	5,974	7,030	7,089	6,524
Operating grants and contri.	730	1,124	14			12	730	1,124	26
Capital grants and contri.	477	478	263				477	478	263
General revenues:									
Revenue from taxes	5,776	5,153	4,873				5,776	5,153	4,873
Revenue from state sources	231	206	199				231	206	199
Revenue from county sources	57	61	24				57	61	24
Interest earnings	2	6	14	1	5	25	3	11	39
Rents and franchise fees	125	115	68				125	115	68
Donations	20	11	13				20	11	13
Liquor mark-up	62	58	51				62	58	51
Other general revenue	2	9	2				2	9	2
Total revenues	8,077	7,610	6,071	6,436	6,705	6,011	14,513	14,315	12,082
Expenses:									
General government	1,034	1,000	780				1,034	1,000	780
Public safety	1,669	1,683	1,580				1,669	1,683	1,580
Public works	1,646	3,598	2,556				1,646	3,598	2,556
Health and welfare	189	103	75				189	103	75
Culture and recreation	2,315	2,057	3,052				2,315	2,057	3,052
Economic development	83	86	130				83	86	130
Debt service	458	5,902	544				458	5,902	544
Liquor				1,634	1,743	1,585	1,634	1,743	1,585
Water				1,222	968	1,205	1,222	968	1,205
Sewer				1,151	649	1,091	1,151	649	1,091
Landfill				1,742	1,434	1,375	1,742	1,434	1,375
Total expenses	7,394	14,429	8,717	5,749	4,794	5,256	13,143	19,223	13,973
Excess of revenues over (under) expenses	683	-6,819	-2,646	687	1,911	755	1,370	-4,908	-1,891
Compensation for damages		6	1				0	6	1
Sale of surplus property	12	8	10	2	14	52	14	22	62
Debt proceeds	708	5,980					708	5,980	0
Transfers	1,257	540	550	-1,257	-540	-550	0	0	0
Change in net position	2,660	-285	-2,085	-568	1,385	257	2,092	1,100	-1,828
Net position:									
December 31, 2018			6,823			6,677			13,500
December 31, 2019		4,738	4,738		6,934	6,934		11,672	11,672
December 31, 2020	4,453	4,453		8,319	8,319		12,772	12,772	
December 31, 2021	7,113			7,751			14,864		

CITY OF BELLE FOURCHE

GOVERNMENT-WIDE
 STATEMENT OF NET POSITION -- MODIFIED CASH BASIS
 AS OF DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	3,146,079	3,626,816	6,772,895
Savings and money market	2,801,152	3,418,755	6,219,907
	-----	-----	-----
Total current assets	5,947,231	7,045,571	12,992,802
	-----	-----	-----
Restricted assets:			
Cash and cash equivalents	881,317		881,317
Savings and money market	285,063	705,496	990,559
	-----	-----	-----
Total restricted assets	1,166,380	705,496	1,871,876
	-----	-----	-----
	-----	-----	-----
Total assets	7,113,611	7,751,067	14,864,678
	=====	=====	=====
NET POSITION			
Restricted for:			
Perpetual care: non-expendable	50,000		50,000
Donor and memorial covenants	104,393		104,393
3rd cent uses	502,152		502,152
Landfill closure and post-closure		705,496	705,496
Local Fiscal Recovery Fund uses	509,835		509,835
Unrestricted	5,947,231	7,045,571	12,992,802
	-----	-----	-----
Total net position	7,113,611	7,751,067	14,864,678
	=====	=====	=====

See accompanying notes.

CITY OF BELLE FOURCHE
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES -- MODIFIED CASH BASIS
FOR THE YEAR ENDING DECEMBER 31, 2021

Functions/Programs: Primary government:	Program Receipts				Changes in Net Position		
	Disbursements	Charges for Services and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	1,034,112	165,653	74,661		-793,798		-793,798
Public safety	1,669,425	606	450,467		-1,218,352		-1,218,352
Public works	1,487,651	31,578	111,236	477,193	-867,644		-867,644
Health and welfare	189,212		6,836		-182,376		-182,376
Culture and recreation	2,315,101	397,207	87,330		-1,830,564		-1,830,564
Economic development	202,886				-202,886		-202,886
Debt service	495,835				-495,835		-495,835
Total governmental activities	7,394,222	595,044	730,530	477,193	-5,591,455	0	-5,591,455
Business-type activities:							
Liquor	1,634,507	1,946,535				312,028	312,028
Water	1,222,211	1,020,498				-201,713	-201,713
Sewer	1,151,044	918,424				-232,620	-232,620
Landfill	1,741,598	2,549,418				807,820	807,820
Total business-type activities	5,749,360	6,434,875	0	0	0	685,515	685,515
Total primary government	<u>13,143,582</u>	<u>7,029,919</u>	<u>730,530</u>	<u>477,193</u>	<u>-5,591,455</u>	<u>685,515</u>	<u>-4,905,940</u>

General receipts:			
Property taxes	2,034,909		2,034,909
Sales taxes	3,732,911		3,732,911
Gross receipts tax	8,057		8,057
Amusement tax	0		0
State shared receipts	230,541		230,541
County shared receipts	56,664		56,664
Interest received	1,918	1,523	3,441
Rents and franchise fees	125,165		125,165
Donations	20,044		20,044
Liquor mark-up	62,126		62,126
Miscellaneous receipts	1,787		1,787
Sale of surplus property	12,591	1,808	14,399
Bond proceeds	708,369		708,369
Transfers	1,257,348	-1,257,348	0
Total general receipts and transfers	<u>8,252,430</u>	<u>-1,254,017</u>	<u>6,998,413</u>
Change in net position	2,660,975	-568,502	2,092,473
Net position, January 1, 2021	4,452,636	8,319,569	12,772,205
Net position, December 31, 2021	<u>7,113,611</u>	<u>7,751,067</u>	<u>14,864,678</u>

See accompanying notes.

CITY OF BELLE FOURCHE
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES -- MODIFIED CASH BASIS
FOR THE YEAR ENDING DECEMBER 31, 2020

Functions/Programs:	Program Receipts				Changes in Net Position		
	Disbursements	Charges for Services and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary government:							
Governmental activities:							
General government	1,000,143	129,165	126,265		-744,713		-744,713
Public safety	1,682,702	740	810,500		-871,462		-871,462
Public works	3,598,200	27,092	168,341	477,529	-2,925,238		-2,925,238
Health and welfare	103,336		6,691		-96,645		-96,645
Culture and recreation	2,056,491	231,805	12,127		-1,812,559		-1,812,559
Economic development	86,308				-86,308		-86,308
Debt service	5,901,420				-5,901,420		-5,901,420
Total governmental activities	14,428,600	388,802	1,123,924	477,529	-12,438,345	0	-12,438,345
Business-type activities:							
Liquor	1,743,277	1,948,509				205,232	205,232
Water	968,235	1,074,614				106,379	106,379
Sewer	648,544	1,078,892				430,348	430,348
Landfill	1,434,029	2,598,211				1,164,182	1,164,182
Total business-type activities	4,794,085	6,700,226	0	0	0	1,906,141	1,906,141
Total primary government	19,222,685	7,089,028	1,123,924	477,529	-12,438,345	1,906,141	-10,532,204
					General receipts:		
					1,937,807		1,937,807
					3,214,825		3,214,825
					0		0
					300		300
					206,225		206,225
					60,734		60,734
					6,479	4,623	11,102
					114,652		114,652
					10,783		10,783
					57,966		57,966
					9,341		9,341
					5,639		5,639
					7,905	14,534	22,439
					5,980,287		5,980,287
					540,328	-540,328	0
					12,153,271	-521,171	11,632,100
					-285,074	1,384,970	1,099,896
					4,737,710	6,934,599	11,672,309
					4,452,636	8,319,569	12,772,205

See accompanying notes.

CITY OF BELLE FOURCHE

BALANCE SHEET -- MODIFIED CASH BASIS
AS OF DECEMBER 31, 2021

	General Fund	3rd Cent Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	Debt Service TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund	Museum capital Reserve Fund	Total Governmental Funds
ASSETS										
Current assets:										
Cash and cash equivalents	3,554,049						40,021	-447,991		3,146,079
Savings and Money market	2,029,429								771,723	2,801,152
Restricted assets:										
Cash and cash equivalents	509,835	258,018	18,785	43,389	42,219		9,071			881,317
Savings and Money market	0	244,134					40,929			285,063
Total assets	6,093,313	502,152	18,785	43,389	42,219	0	90,021	-447,991	771,723	7,113,611
FUND BALANCE										
Nonspendable	0						50,000			50,000
Restricted	509,835	502,152	18,785	43,389	42,219					1,116,380
Committed	0									0
Assigned	2,564,866						40,021		771,723	3,376,610
Unassigned	3,018,612							-447,991		2,570,621
Total fund balances	6,093,313	502,152	18,785	43,389	42,219	0	90,021	-447,991	771,723	7,113,611 *

* Also equals net position on statement of net position.

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN FUND BALANCES -- GOVERNMENTAL FUNDS -- MODIFIED CASH BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2021

	General Fund	3rd Cent Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	Debt Service TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund	Museum Capital Reserve Fund	Total Governmental Funds
Receipts:										
Receipts from local sources:										
Taxes:										
Ad valorem taxes	1,951,709					83,200				2,034,909
General sales and use taxes	3,527,050	205,861								3,732,911
Gross receipts tax	8,057									8,057
Amusement tax	0									0
Licenses and permits:	157,898									157,898
Intergovernmental receipts:										
Federal grants:	956,164		85							956,249
State shared receipts:										
State grants	251,474									251,474
Bank franchise tax	29,135									29,135
Commercial vehicle prorate	13,571									13,571
Liquor tax reversion	41,034									41,034
Motor vehicle licenses (5%)	66,106									66,106
Highway and bridge	80,695									80,695
County shared receipts:										
Road taxes	50,750									50,750
Library	5,914									5,914
Charges for goods and services:										
General government	1,662									1,662
Public safety	606									606
Public works	6,795									6,795
Cemetery	17,383						7,400			24,783
Culture and recreation	393,502				3,705					397,207
Fines and forfeits:	6,093									6,093
Miscellaneous receipts:										
Interest received	1,918									1,918
Rental and franchise fees	104,313	20,852								125,165
Donations	495		3,965	4,831	3,753		7,000			20,044
5% beer mark-up	62,126									62,126
Miscellaneous	1,122	40					625			1,787
Total receipts	7,735,572	226,753	4,050	4,831	7,458	83,200	15,025	0	0	8,076,889
Disbursements:										
General government:										
Mayor and Council	85,690									85,690
Elections	2,143									2,143
Financial administration	233,234									233,234
Insurance	201,627									201,627
Engineering	96,775									96,775
Government buildings	397,643									397,643
Public safety:										
Police	1,330,837									1,330,837
Fire	94,430									94,430
Protective inspection	116,782									116,782
Public works:										
Highways and streets	257,642									257,642
Airport	56,465									56,465
Cemetery	132,009									132,009
Health and welfare:										
West Nile	19,112									19,112
Health	29,100									29,100
Ambulance	141,000									141,000
Culture and recreation:										
Belle Fourche Area Comm. Cent	770,606		4,778							775,384
Parks	149,485									149,485
Recreation - Roundup		69,682								69,682
Library	230,534									230,534
Bowman/Comm Halls	7,789									7,789
Museum	336,012				17,853					353,865
Conservation and development:										
Economic development	164,886									164,886
City promotion	38,000									38,000
Debt service:										
Principal	354,049	55,988								410,037
Interest and fees	65,852	19,946								85,798
Capital outlay	1,853,323	12,072						48,878		1,914,273
Total disbursements	7,165,025	157,688	4,778	0	17,853	0	0	48,878	0	7,394,222
Excess of receipts over (under) disbursements	570,547	69,065	-728	4,831	-10,395	83,200	15,025	-48,878	0	682,667

(continued)

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN FUND BALANCES -- GOVERNMENTAL FUNDS -- MODIFIED CASH BASIS (continued)
 FOR THE YEAR ENDING DECEMBER 31, 2021

	General Fund	3rd Cent Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	Debt Service TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund	Museum Capital Reserve Fund	Total Governmental Funds
Other financing sources (uses):										
Transfers in	580,017								771,723	1,351,740
Transfers (out)	-11,192					-83,200				-94,392
Compensation for damaged prop	0									0
Sale of surplus property	11,707	884								12,591
Bond proceeds	0							708,369		708,369
Net change in fund balance	1,151,079	69,949	-728	4,831	-10,395	0	15,025	659,491	771,723	2,660,975 *
Fund balance:										
January 1, 2021	4,942,234	432,203	19,513	38,558	52,614	0	74,996	-1,107,482	NEW	4,452,636
December 31, 2021	6,093,313	502,152	18,785	43,389	42,219	0	90,021	-447,991	771,723	7,113,611

* Also equals change in net position on statement of activities.

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN FUND BALANCES -- GOVERNMENTAL FUNDS -- MODIFIED CASH BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2020

	General Fund	3rd Cent Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	Debt Service 2007 Sales Fund	Debt Service TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund	Total Governmental Funds
Receipts:										
Receipts from local sources:										
Taxes:										
Ad valorem taxes	1,898,135						39,672			1,937,807
General sales and use taxes	3,038,408	176,417								3,214,825
Gross receipts tax	0									0
Amusement tax	300									300
Licenses and permits:	120,477									120,477
Intergovernmental receipts:										
Federal grants:	1,323,743		127							1,323,870
State shared receipts:										
State grants	277,583									277,583
Bank franchise tax	31,642									31,642
Commercial vehicle prorata	8,892									8,892
Liquor tax reversion	38,720									38,720
Motor vehicle licenses (5%)	49,525									49,525
Highway and bridge	77,446									77,446
County shared receipts:										
Road taxes	54,820									54,820
Library	5,914									5,914
Charges for goods and services:										
General government	2,149									2,149
Public safety	740									740
Public works	6,714									6,714
Cemetery	14,116							6,262		20,378
Culture and recreation	228,743					3,062				231,805
Fines and forfeits:	4,925									4,925
Miscellaneous receipts:										
Interest received	6,366	97						16		6,479
Rental and franchise fees	93,737	20,915								114,652
Donations	500		2,702	4,911	2,670					10,783
5% beer mark-up	57,966									57,966
Miscellaneous	10,150	30						775		10,955
Total receipts	7,351,711	197,459	2,829	4,911	5,732	0	39,672	7,053	0	7,609,367
Disbursements:										
General government:										
Mayor and Council	103,334									103,334
Elections	468									468
Financial administration	275,019									275,019
Insurance	93,590									93,590
Engineering	73,333									73,333
Government buildings	454,399									454,399
Public safety:										
Police	1,329,200									1,329,200
Fire	90,985									90,985
Protective inspection	125,555									125,555
Public works:										
Highways and streets	345,749									345,749
Airport	49,046									49,046
Cemetery	152,307									152,307
Health and welfare:										
West Nile	17,336									17,336
Health	28,900									28,900
Ambulance	57,100									57,100
Culture and recreation:										
Belle Fourche Area Comm. Cent	677,061		6,736							683,797
Parks	226,332									226,332
Recreation - Roundup		74,017								74,017
Library	245,035			25						245,060
Bowman/Comm Halls	7,050									7,050
Museum	312,316				11,247					323,563
Conservation and development:										
Economic development	43,808									43,808
City promotion	42,500									42,500
Debt service:										
Principal	3,677,904	996,036				1,025,000				5,698,940
Interest and fees	124,826	47,481				30,173				202,480
Capital outlay	1,402,465	41,476						5,678	2,235,113	3,684,732
Total disbursements	9,955,618	1,159,010	6,736	25	11,247	1,055,173	0	5,678	2,235,113	14,428,600
Excess of receipts over (under) disbursements	-2,603,907	-961,551	-3,907	4,886	-5,515	-1,055,173	39,672	1,375	-2,235,113	-6,819,233

(continued)

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
 IN FUND BALANCES -- GOVERNMENTAL FUNDS -- MODIFIED CASH BASIS (continued)
 FOR THE YEAR ENDING DECEMBER 31, 2020

	General Fund	3rd Cent Fund	BFACC Donation Fund	Library Memorial Fund	Museum Memorial Fund	Debt Service 2007 Sales Fund	Debt Service TIF #4 Fund	Perpetual Care Fund	Day Street Lift Station Fund	Total Governmental Funds
Other financing sources (uses):										
Transfers in	640,541					21,851				662,392
Transfers (out)	-21,851					-60,541	-39,672			-122,064
Compensation for damaged prop	5,639									5,639
Sale of surplus property	7,905									7,905
Bond proceeds	3,007,780	968,379				876,497			1,127,631	5,980,287
Net change in fund balance	1,036,107	6,828	-3,907	4,886	-5,515	-217,366	0	1,375	-1,107,482	-285,074 *
Fund balance:										
January 1, 2020	3,906,127	425,375	23,420	33,672	58,129	217,366	0	73,621	0	4,737,710
December 31, 2020	<u>4,942,234</u>	<u>432,203</u>	<u>19,513</u>	<u>38,558</u>	<u>52,614</u>	<u>0</u>	<u>0</u>	<u>74,996</u>	<u>-1,107,482</u>	<u>4,452,636</u>
						Closed				

* Also equals change in net position on statement of activities.

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF NET POSITION -- MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 AS OF DECEMBER 31, 2021

	Liquor Fund	Water Fund	Sewer Fund	Landfill Fund	Total Enterprise Funds
	-----	-----	-----	-----	-----
ASSETS					
Current assets:					
Cash and cash equivalents	618,019	540,548	427,497	2,040,752	3,626,816
Investments - money market		911,409	476,282	2,031,064	3,418,755
	-----	-----	-----	-----	-----
Total current assets	618,019	1,451,957	903,779	4,071,816	7,045,571
	-----	-----	-----	-----	-----
Restricted assets:					
Cash and cash equivalents					0
Investments - money market				705,496	705,496
	-----	-----	-----	-----	-----
Total restricted assets	0	0	0	705,496	705,496
	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----
Total assets	618,019	1,451,957	903,779	4,777,312	7,751,067
	=====	=====	=====	=====	=====
NET POSITION					
Restricted:					
Landfill closure and post-closure				705,496	705,496
Unrestricted	618,019	1,451,957	903,779	4,071,816	7,045,571
	-----	-----	-----	-----	-----
Total net position	618,019	1,451,957	903,779	4,777,312	7,751,067
	=====	=====	=====	=====	=====

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN FUND NET POSITION -- MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2021

	Liquor Fund	Water Fund	Sewer Fund	Landfill Fund	Total Enterprise Funds
	-----	-----	-----	-----	-----
Operating receipts:					
Sale of goods and services	1,946,535	1,020,498	918,424	2,549,418	6,434,875
	-----	-----	-----	-----	-----
Total operating receipts	1,946,535	1,020,498	918,424	2,549,418	6,434,875
	-----	-----	-----	-----	-----
Operating disbursements:					
Personal services	174,267	545,524	419,255	715,521	1,854,567
Other current services	68,202	248,404	135,602	703,025	1,155,233
Cost of goods sold	1,392,038				1,392,038
Capital asset costs		411,792	340,493	323,052	1,075,337
	-----	-----	-----	-----	-----
Total operating disbursements	1,634,507	1,205,720	895,350	1,741,598	5,477,175
	-----	-----	-----	-----	-----
Total operating income (loss)	312,028	-185,222	23,074	807,820	957,700
Nonoperating receipts (disbursements):					
Interest receipts			987	536	1,523
Sale of surplus property		1,144	44	620	1,808
Debt service - principal		-11,105	-106,806		-117,911
- interest		-5,386	-148,888		-154,274
	-----	-----	-----	-----	-----
Total nonoperating receipts (disburseme	0	-15,347	-254,663	1,156	-268,854
	-----	-----	-----	-----	-----
Income (loss) before transfers	312,028	-200,569	-231,589	808,976	688,846
Transfers in		41,600	41,600		83,200
Transfers (out)	-80,000	-642,000		-618,548	-1,340,548
	-----	-----	-----	-----	-----
Change in net position	232,028	-800,969	-189,989	190,428	-568,502
Net position:					
January 1, 2021	385,991	2,252,926	1,093,768	4,586,884	8,319,569
	-----	-----	-----	-----	-----
December 31, 2021	618,019	1,451,957	903,779	4,777,312	7,751,067
	=====	=====	=====	=====	=====

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN FUND NET POSITION -- MODIFIED CASH BASIS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2020

	Liquor Fund	Water Fund	Sewer Fund	Landfill Fund	Total Enterprise Funds
	-----	-----	-----	-----	-----
Operating receipts:					
Sale of goods and services	1,948,509	1,074,614	1,078,892	2,598,211	6,700,226
	-----	-----	-----	-----	-----
Total operating receipts	1,948,509	1,074,614	1,078,892	2,598,211	6,700,226
	-----	-----	-----	-----	-----
Operating disbursements:					
Personal services	135,383	463,058	361,891	721,392	1,681,724
Other current services	107,083	206,098	143,493	485,485	942,159
Cost of goods sold	1,476,790				1,476,790
Capital asset costs	24,021	282,589	10,923	142,567	460,100
	-----	-----	-----	-----	-----
Total operating disbursements	1,743,277	951,745	516,307	1,349,444	4,560,773
	-----	-----	-----	-----	-----
Total operating income (loss)	205,232	122,869	562,585	1,248,767	2,139,453
Nonoperating receipts (disbursements):					
Interest receipts		1,832	189	2,602	4,623
Sale of surplus property		11,829		2,705	14,534
Debt service - principal		-10,858	-87,071	-83,196	-181,125
- interest		-5,632	-45,166	-1,389	-52,187
	-----	-----	-----	-----	-----
Total nonoperating receipts (disbursements)	0	-2,829	-132,048	-79,278	-214,155
	-----	-----	-----	-----	-----
Income (loss) before transfers	205,232	120,040	430,537	1,169,489	1,925,298
Transfers in		19,836	19,836		39,672
Transfers (out)	-80,000			-500,000	-580,000
	-----	-----	-----	-----	-----
Change in net position	125,232	139,876	450,373	669,489	1,384,970
Net position:					
January 1, 2020	260,759	2,113,050	643,395	3,917,395	6,934,599
	-----	-----	-----	-----	-----
December 31, 2020	385,991	2,252,926	1,093,768	4,586,884	8,319,569
	=====	=====	=====	=====	=====

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2021

	Liquor Fund	Water Fund	Sewer Fund	Landfill Fund	Total Enterprise Funds
	-----	-----	-----	-----	-----
Cash flows from:					
Operating activities:					
Receipts from customers	1,946,535	1,018,498	917,824	2,547,018	6,429,875
Receipts from interfund services provided (estimate)		2,000	600	2,400	5,000
Payments to employees	-174,267	-545,524	-419,255	-715,521	-1,854,567
Payments to suppliers	-1,460,240	-248,404	-135,602	-703,025	-2,547,271
Net cash provided (used) by operating activities	----- 312,028	----- 226,570	----- 363,567	----- 1,130,872	----- 2,033,037
Noncapital financing activities:					
Transfers in		41,600	41,600		83,200
Transfers (out)	-80,000	-642,000		-618,548	-1,340,548
Sale of surplus property		1,144	44	620	1,808
Capital financing activities:					
Cash paid for capital assets		-411,792	-340,493	-323,052	-1,075,337
Cash paid for debt principal		-11,105	-106,806		-117,911
Cash paid for debt interest		-5,386	-148,888		-154,274
Investing activities:					
Interest receipts			987	536	1,523
Net increase (decrease) in cash	----- 232,028	----- -800,969	----- -189,989	----- 190,428	----- -568,502
Cash and cash equivalent:					
January 1, 2021	385,991	2,252,926	1,093,768	4,586,884	8,319,569
December 31, 2021	----- 618,019	----- 1,451,957	----- 903,779	----- 4,777,312	----- 7,751,067
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	312,028	-185,222	23,074	807,820	957,700
Add back:					
Cash paid for capital assets		411,792	340,493	323,052	1,075,337
Net cash provided (used) by operating activities	----- 312,028	----- 226,570	----- 363,567	----- 1,130,872	----- 2,033,037
Noncash investing, capital and financing activities: None					

See accompanying notes.

CITY OF BELLE FOURCHE

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2020

	Liquor Fund	Water Fund	Sewer Fund	Landfill Fund	Total Enterprise Funds
	-----	-----	-----	-----	-----
Cash flows from:					
Operating activities:					
Receipts from customers	1,948,509	1,072,614	1,078,292	2,595,811	6,695,226
Receipts from interfund services provided (estimate)		2,000	600	2,400	5,000
Payments to employees	-135,383	-463,058	-361,891	-721,392	-1,681,724
Payments to suppliers	-1,583,873	-206,098	-143,493	-485,485	-2,418,949
Net cash provided (used) by operating activities	----- 229,253	----- 405,458	----- 573,508	----- 1,391,334	----- 2,599,553
Noncapital financing activities:					
Transfers in		19,836	19,836		39,672
Transfers (out)	-80,000			-500,000	-580,000
Sale of surplus property		11,829		2,705	14,534
Capital financing activities:					
Cash paid for capital assets	-24,021	-282,589	-10,923	-142,567	-460,100
Cash paid for debt principal		-10,858	-87,071	-83,196	-181,125
Cash paid for debt interest		-5,632	-45,166	-1,389	-52,187
Investing activities:					
Interest receipts		1,832	189	2,602	4,623
Investment purchases				0	0
Net increase (decrease) in cash	----- 125,232	----- 139,876	----- 450,373	----- 669,489	----- 1,384,970
Cash and cash equivalent:					
January 1, 2020	260,759	2,113,050	643,395	3,687,319	6,704,523
Reclassify money market investment				230,076	230,076
January 1, 2020, adjusted	----- 260,759	----- 2,113,050	----- 643,395	----- 3,917,395	----- 6,934,599
December 31, 2020	----- 385,991	----- 2,252,926	----- 1,093,768	----- 4,586,884	----- 8,319,569
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	205,232	122,869	562,585	1,248,767	2,139,453
Add back:					
Cash paid for capital assets	24,021.00	282,589	10,923	142,567	460,100
Net cash provided (used) by operating activities	----- 229,253	----- 405,458	----- 573,508	----- 1,391,334	----- 2,599,553

Noncash investing, capital and financing activities: None

See accompanying notes.

CITY OF BELLE FOURCHE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in note 1.c, these financial statements are presented on a 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 funds and account groups included in this report are controlled by or dependent upon the City of Belle Fourche's (City) Governing Board.

City officials at December 31, 2021 are:

Mayor:	Interim Finance Officer:
Randy Schmidt	Jason LaFayette
Governing Board:	Attorney:
Vern Hintz, President	Dwight Gubbrud
Derrick Erhart	
Rebecca Larson	
Heidi Parker	
Annie Reich	
Bob Somervold	
Randy Sowers	
Monte Talkington	

The City's financial reporting entity is composed of the following:

Financial Reporting Entity:
Primary Government: - The City of Belle Fourche
Component Units: - None

To determine the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The reporting entity of City of Belle Fourche consists of (1) 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, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity; (2) those organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its governing board appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the City (the primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City unless that organization can, without the approval of the City: (1) set its own budget; (2) determine its own rates or charges; and (3) borrow money.

Based upon the application of these criteria, the City of Belle Fourche does not have any component units.

b. Basis of Presentation:

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds (if any). The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for good and services.

The Statement of Net Position reports all cash and cash equivalent assets. Net position is displayed in two components: restricted (distinguishing between major categories of restrictions) and unrestricted.

The Statement of Activities presents a comparison between direct disbursements and program receipts for each function of the City's governmental activities and for each segment of City's business-type activities. Direct disbursements are associated with a specific program or function and are clearly identifiable to a particular function. Program receipts include (a) charges paid by recipients of goods and services offered by the program 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 and interest, are presented as general receipts.

Fund Financial Statements:

The fund financial statements include specific information about individual funds used by the reporting entity. Each fund is considered a separate accounting entity with a separate set of self-balancing accounts that constitutes its cash, net position, receipts and disbursements. Funds are organized into three major categories: governmental, enterprise, and fiduciary (if any). An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the City or if it meets the following criteria:

- a. Total cash, receipts or disbursements of the individual governmental or enterprise fund are at least 10 percent of the corresponding element total (cash, receipts or disbursements) for all funds of that category (that is, total governmental or total enterprise), and
- b. The same element that meets the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined
- c. In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's official believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

Funds of the City are described below within their respective fund type:

Governmental Funds

General Fund - a fund established by South Dakota Codified Law (SDCL) 4-11-6 to met all the general operational costs of the City except those required to be accounted for in another fund. The general fund is always a major fund.

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

3rd Cent Sales Tax Fund - A fund allowed by SDCL 10-52-8 to account for the receipts from the 3rd cent sales tax imposed on liquor, lodging and dining sales. The 3rd cent can be spent on the promotion of the city. The 3rd cent sales tax fund is a major fund.

Other special revenue funds - The City maintains the following special revenue funds to adhere to donation and memorial requests. All of these funds are considered major funds.

Belle Fourche Area Community Center (BFACC) Donation Fund
Library Memorial Fund
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 cost. The City has the following debt service fund:

Debt Service Fund - The City accounts for repayment of its 2007 sales tax revenue bond through this fund. This debt service fund is a major fund and was closed in 2020.

Tax Increment Financing District 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 (city or developer advances) issued to finance a public improvement. The City accounts for one legally separate TIF debt issue through its TIF #4 debt service fund. TIF #4 debt service fund is major fund.

Permanent Funds - permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's activities. 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 upkeep of the City's cemetery. The Perpetual Care Fund is 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 enterprise funds and trust funds). The City has the following capital project funds.

Day Street Lift Station Fund - A fund to account for Day Street lift station improvements. The Day Street Lift Station Fund is a major fund.

Museum Capital Reserve Fund - A fund to reserve resources for a future Museum addition. The Museum Capital Reserve Fund is a major fund.

Enterprise Funds
(Business-Type)

Enterprise Funds - enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The City has the following enterprise funds:

Liquor Fund - A fund established by SDCL 35-3-21 to provide off-sale product to the general public. The liquor fund is a major fund.

Water Fund - A fund established by SDCL 9-47-1 to provide water to customers within the City of Belle Fourche. The water fund is a major fund.

Sewer Fund - A fund established by SDCL 9-48-2 to provide sewer services to customers within the City of Belle Fourche. The sewer fund is a major fund.

Landfill Fund - A fund established by SDCL 9-32-11 and 9-34A-6 to provide collection and disposal of solid waste for the City of Belle Fourche. The landfill fund is a major fund.

Fiduciary Funds

Fiduciary funds are never considered to be major funds.

Custodial Funds: Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for the accumulation and distribution of resource from various pass-through activities.

In 2020 and 2021 the City had no fiduciary or custodial funds.

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 (disbursements) 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 of accounting, which is a basis of accounting other than US-GAAP. Under US-GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the modified cash basis of accounting, 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, both 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 described below.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, 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, governmental, business-type, and major fund activities are presented using a 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 disbursement transactions. Under the modified cash basis of accounting, the statement of net position reports only cash and cash equivalents. 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 cash has been received or disbursed. Acceptable modifications to the cash basis of accounting implemented by the City in these financial statements are investments and certificates of deposit (if any) whose maturity when purchased is more than 90 days.

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 and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City applied US-GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the fund financial statements for enterprise funds and fiduciary funds (if any) would use the accrual basis of accounting. All government-wide financial statements would use the accrual basis of accounting.

d. Cash and Cash Equivalents:

In the enterprise funds' statement of cash flows, the City considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents. Those portions of the enterprise funds' cash resources that are included in the City's internal cash management pool are considered to be cash and cash equivalents, regardless of the form in which they are held, because use of the pool provides each enterprise fund with access to its cash resources essentially on demand.

For the two years ending December 31, 2021, all enterprise fund deposits and money market accounts are considered to be cash and cash equivalent for purposes of the statement of cash flows.

e. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as reductions of disbursements in the fund that is reimbursed. All other interfund transactions are reported as transfers.

f. Program Receipts and General Receipts:

Program Receipts:

In the government-wide Statement of Activities, 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 three categories, as follows:

1. Charges for services - These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contribution - 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 contribution - These arise from mandatory and voluntary non-exchange transactions with other government, organization, 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.

g. Enterprise Fund Receipt Classifications:

In both the government-wide statements and fund financial statements, enterprise 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 revenues, if any, such as grants, operating subsidies, interest received, and transfers in, result from nonexchange transactions.

h. 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 their use either by (a) external groups such as creditor, grantor, 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".

Fund Financial Statements:

Governmental fund equity is classified as "Fund Balance", and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "Unassigned" components. Enterprise fund equity is classified as "Net Position", the same as in the government-wide financial statements. Fiduciary fund equity (if any) is reported as restricted net position.

i. Application of Net Position:

It is the City's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred which can be charged to either restricted or unrestricted net position.

j. Fund Balance Classification Policies and Procedures:

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

- * Nonspendable - includes fund cash balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- * Restricted - includes fund cash balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- * Committed - includes fund cash balance amounts that are constrained for specific purposes that are internally imposed (or modified or rescinded) by the government through formal action at the highest level of decision making authority and does not lapse at year-end.
- * Assigned - includes fund cash balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund cash balance may be assigned by the Board of Trustees or Finance Officer.
- * Unassigned - includes positive fund cash balance within the general fund which has not been classified within the above categories and negative fund balance amounts in other governmental funds.

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

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

The City of Belle Fourche fund cash balance classifications are made up of:

<u>Fund Balance Classifications</u>	<u>Account or Fund</u>	<u>Authority or Action</u>	<u>Amount</u>
Nonspendable	Perpetual Care	Statute	50,000
Restricted	Local Fical Recovery Fund uses	Regulation	509,835
	3rd Cent uses	Statute	502,152
	TIF #4 (debt service)	Covenant	0
	BFACC donation fund	Covenant	18,785
	Library Memorial fund	Covenant	43,389
	Museum Memorial fund	Covenant	42,219
Committed	None		0
Assigned	General: Construction	Resolution	2,452,915
	Museum	Resolution	111,951
	Perpetual Care	Resolution	40,021
	Museum Capital Reserve	Resolution	771,723
Unassigned	Day Street Lift Station		(447,991)
	General		3,018,612

			7,113,611

The purpose of each special revenue fund and revenue source is:

Special Revenue Fund:	Revenue Source:	
* 3rd Cent	Sales tax	(see page 15 and 17)
* Belle Fourche Area Community Center Donation	Donations	(see page 15 and 17)
* Library Memorial	Donations	(see page 15 and 17)
* Museum Memorial	Donations	(see page 15 and 17)

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

Budget Overdrafts:

The City is prohibited by statute from spending in excess of appropriated amounts by department within a fund. The following are overdrafts of departmental expenditures compared to appropriations:

2021: General fund/health and welfare/West Nile	\$ 6,587
/culture and recreation/parks	83,614
/conservation and development/economic development	118,921
Museum Memorial fund/activities	6,403
2020: General fund/general government/Mayor and Council	\$ 8,884
/public works/airport	17,936
/health and welfare/West Nile	4,811
/health and welfare/health	28,900
/conservation and development/economic development	78,758
/debt service	3,496,730
3rd Cent fund/debt service	1,043,517
Belle Fourche Area Community Center Donation fund/activities	2,736

These are not considered a significant overdraft of a departmental expenditure compared to appropriations. Debt service overdrafts are the result of refinancing 3 bonds. See page 40 to 49.

In the future, the City expects to make contingency transfers or adopt supplemental appropriations to cover expenditures that will exceed their original appropriation.

3. DEPOSITS, INVESTMENTS, AND RELATED RISKS

The City follows the practice of aggregating deposits of its various funds for cash management efficiency and returns, except for restricted cash held by 3rd parties and certificates of deposits purchased for an individual fund.

Deposits - The City's 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. Qualified depositories are required by SDCL 4-6A-3 to maintain, at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as 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 money 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); or (c) in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Deposits are reported at cost, plus interest, if the account is the add-on type.

Actual bank balances at December 31, 2021 were as follows: Insured \$1,000,025, Collateralized ** \$14,002,710, for a total of \$15,002,735.

** Uninsured, collateral jointly held by state's/municipality's agent in the name of the state and the pledging financial institution.

The carrying amount of these deposits, including petty cash of \$4,125 at December 31, 2021 was \$14,864,678. Reconciliation of deposits to government-wide statement of net position is:

Statement of Net Position:

Unrestricted:

Cash and cash equivalents 12,992,802

Restricted:

Cash and cash equivalents 1,871,876

14,864,678

Certificates of deposit, with a term to maturity of greater than 90 days when purchased, are insured or collateralized and are considered deposits. At December 31, 2021 the City had no certificates of deposit.

Custodial Deposit Risk - The risk that, in the event of a depository failure, the City's deposits may not be returned to it. At December 31, 2021, the City's deposits in financial institutions were not exposed to deposit custodial credit risk.

Concentration of Credit Risk - the City places no limit on the amount that may be invested in any one institution. At December 31, 2021 all of the City's deposits are in First Interstate Bank and Pioneer Bank & Trust.

At December 31, 2021, the City's "investment" in South Dakota FIT of \$60 is not considered material to these financial statements.

Investment 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.

Investment Custodial Risk - 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 investment or collateral securities that are in possession of an outside party. The City was not exposed to custodial investment risk in 2020 or 2021.

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 increasing 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 deposit or investment. The City's policy is to credit all income from deposits and investments to the fund making the investment.

4. LONG-TERM DEBT

A summary of changes in long-term liabilities is presented as supplementary information on page 46. The City has no: (a) unused lines-of-credit, (b) short-term debt, (c) debt extinguishments, defeasances, refundings or troubled debt restructuring, (d) special assessment debt, (e) conduit debt, (f) derivatives or hedging of variable rate debt, (g) debt related to claims and judgments, or (h) other than the collateral specified, terms in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences or (3) subjective acceleration clauses.

5. FUTURE REVENUES PLEDGED TO SECURE DEBT

All water fund net revenue (after normal operating, repair and maintenance expenses) is pledged to secure one drinking water SRF revenue bond which has a remaining balance of \$232,420. The bond was incurred to cover the cost of water improvements as described on page 49. The bond will mature in 2039. In 2021 the water fund had net revenue of \$226,570 before capital asset cost and payments of \$16,491 on this bond.

All sewer fund revenue is pledged to secure two clean water SRF revenue bonds which have a remaining balance of \$3,681,984. The bonds were incurred to cover the cost of sewer improvements as described on page 49. The bonds will mature in 2039 and 2041. In 2021 the sewer fund had net revenue of \$363,567 before capital asset cost and payments of \$255,694 on these bonds.

6. RESTRICTED ASSETS AND RESTRICTED NET POSITION

Restricted assets and restricted net position at December 31, 2021 is as follows:

Purpose:	Governmental	Business-Type
Landfill closure savings		705,496
Perpetual care cash	50,000	
Donor and memorial covenants	104,393	
3rd cent uses	502,152	
Local Fiscal Recovery Fund uses	509,835	
	-----	-----
Total Restricted Assets	1,166,380	705,496

7. OPERATING LEASE

Copier operating leases are considered immaterial to these financial statements.

8. INTERFUND TRANSACTIONS

The 2021 transfers "in" and "(out)" between funds were:

Fund:	Government-Wide	Business-Type	
General	580,017		Operations
General	(11,192)		Establish Museum Capital Reserve fund
Museum Capital Reserve	771,723		Establish fund
TIF #4	(83,200)		Debt service
Liquor		(80,000)	Remit a portion of profit
Water		41,600	Debt service
Water		(642,000)	Establish Museum Capital Reserve fund
Sewer		41,600	Debt service
Landfill		(500,000)	Remit a portion of profit
Landfill		(118,548)	Establish Museum Capital Reserve fund
	-----	-----	
	1,257,348	(1,257,348)	

The 2020 transfers "in" and "(out)" between funds were:

Fund:	Government-Wide	Business-Type	
General	580,000		Operations
General	60,541		Close debt service fund
General	(21,851)		Initial transfer to debt service fund
City Hall debt service	21,851		Initial transfer to debt service fund
City Hall debt service	(60,541)		Close debt service fund
TIF #4	(39,672)		Debt service
Liquor		(80,000)	Remit a portion of profit
Water		19,836	Debt service
Sewer		19,836	Debt service
Landfill		(500,000)	Remit a portion of profit
	-----	-----	
	540,328	(540,328)	

9. REFUNDING OF \$2,000,000 SALES TAX REVENUE BONDS - SERIES 2007
 REFUNDING OF \$4,500,000 SALES TAX REVENUE BONDS - SERIES 2012

On April 16, 2020 the City issued \$3,884,277 Sales Tax Revenue Refunding Bonds, Series 2020A, with an interest rate of 1.850% to (1) refund Sales Tax Revenue Bonds - Series 2007 with an average remaining interest rate of 4.326% and unpaid principal of \$1,025,000 at April 16, 2020 and (2) refund Sales Tax Revenue Bonds - Series 2012 with an average remaining interest rate of 2.969% and unpaid principal of \$3,270,000 at April 16, 2020. The final maturity of the Sales Tax Revenue Bond Series 2020A is September 1, 2031. However, the bond is callable in whole, but not in part, on or after September 1, 2026 without penalty.

The City refunded this debt to reduce total debt service over the next 11 years by \$868,540 and to obtain an economic gain of \$361,836.

10. REFUNDING OF \$1,000,000 SALES TAX REVENUE BONDS - SERIES 2018

On April 16, 2020 the City issued \$968,379 Sales Tax Revenue Refunding Bonds, Series 2020B, with an interest rate of 2.15% to refund Sales Tax Revenue Bonds - Series 2018 with an average remaining interest rate of 3.95% and unpaid principal of \$969,289 at April 16, 2020. The final maturity of the Sales Tax Revenue Bond Series 2020B is May 1, 2035. However, the bond is callable in whole, but not in part, on or after May 1, 2028 without penalty.

The City refunded this debt to reduce total debt service over the next 15 years by \$236,434 and to obtain an economic gain of \$129,248.

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 2021 capacity of 2,812,451 cubic yards with an estimated life expectancy of 30 years.

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.

At December 31, 2021 the estimated closure and post closure costs, based on a 42% filled, is \$700,970 and is covered by \$705,496 of restricted savings. Total closure cost and post closure cost are estimated to be \$1,668,975. The landfill has a capacity of 2,812,451 cubic yards of which 1,181,125 (or 42.00%) has been filled by August 2021. The total cost of \$1,668,975 times estimated used volume of 44.00% gives the $\$734,349 - \$705,496 = \$28,853$ estimated present liability for closure/post closure costs and is the minimum transfer for 2022.

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

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. In 2020 the City made a contribution of \$50,000 to this account and in 2021 the City made a contribution of \$50,000 to this account. At December 31, 2021 the City had \$705,496 in this separate account to cover to liability for closure and post closure costs.

12. PENSION PLAN

Summary of Significant Accounting Policies:

As mentioned in note 1c above, these financial statements, both government-wide and fund financial statements, are presented on a modified cash basis of accounting rather than an accrual/modified accrual basis of accounting. Consequently, these financial statements do not measure the net pension (assets)/liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense (revenue), and information about the fiduciary net position of the South Dakota Retirement System (SDRS).

Plan Description:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer hybrid defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to SDRS, PO Box 1098, Pierre, SD 57501-1098 or calling (605) 773-3731.

Benefits Provided:

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members.

Members that were hired before July 1, 2017 are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80.

Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level.

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

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

> Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.

> If the fair value of assets is equal to or greater 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 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 equal to or greater than the accrued liabilities.

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

Contributions:

Per SDCL 3-12, contributions 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 ending December 31, 2021, 2020, and 2019 were \$171,800, \$175,385 and \$176,315 respectively (employer's share) equal to the required contribution each year.

Pension (Assets)/Liabilities:

At June 30, 2021 SDRS is 105.52% funded and accordingly has net pension (asset). The proportionate shares of the components of the net pension (asset) of South Dakota Retirement System, for the City as of this measurement period ending June 30, 2021 and reported by the City as of December 31, 2021 are as follows:

Proportionate share of total pension liability	\$ 17,897,879
Less: Proportionate share of net position restricted for pension benefits	(18,886,365)

Proportionate share of net pension (asset)/liability	\$ (988,486)
	=====

The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the City's share of contribution to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the City's proportion was .001290740 which is an increase of .000057388 over its proportion measured as of June 30, 2020.

Actuarial Assumptions:

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.25% and real returns of 4.25%.
Future COLAs	2.25%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males.

Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

Investments

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (ie: 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 weighting 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, 2021 (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
Global Equity	58.0%	4.3%
Fixed Income	30.0%	1.6%
Real Estate	10.0%	4.6%
Cash	2.0%	0.9%

	100.0%	

Discount Rate:

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

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

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
City's proportionate share of the net pension (asset)/liability	\$1,600,605	\$(988,486)	\$(3,090,225)

Pension Plan Fiduciary Net Position:

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

13. PROPERTY TAX

Taxes are levied on or before October 1, attach as an enforceable lien on property, become due and payable on the following January 1, and are payable in two installment on or before the following April 30 and October 31. The county bills and collects the City's taxes and remits them to the City. Because the City is on the modified cash basis of accounting, all property taxes received in cash are considered revenue for the period in which it was collected.

14. JOINT VENTURES

Butte County Ambulance:

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 and the Cities of Belle Fourche and Newell.

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

Butte County	45%
City of Belle Fourche	45%
City of Newell	10%

The joint venture's governing board is composed of 2 representative each from the Butte County and the Cities of Belle Fourche and 1 representative from the City of 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.

At December 31, 2021, this joint venture had total UNAUDITED cash balances of \$268,588 and no long-term debt.

15. RELATED PARTY

The Belle Fourche Development Corporation (BFDC) is considered a related party because BFDC is financial dependent on subsidies from the City. BFDC's 2021 financial statement is not ready as of this report date. In 2020 BFDC's had total income of \$163,785 of which \$40,000 came from the City and all of it was spent on its operations.

16. RISK MANAGEMENT

The City is exposed to various risks of loss related to injuries to employees; torts; theft of or damage to property; errors and omissions of public officials; and natural disasters. During the two years ending December 31, 2021, the City managed its risks as follows:

Employee Health Insurance:

The City purchases health insurance for its employees from a commercial insurance carrier.

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 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-based 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, auto liability, auto damage, property, and equipment breakdown insurance.

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed. The prior policy provided the departing member with such a partial refund because the departing member took sole responsibility for all claims and claims expense whether reported or unreported at the time of their departure from SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing member pursuant to the revised IGC.

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 bodily injury and property damage. These coverages are provided to a \$1,000,000 limit for each occurrence and \$2,000,000 in the aggregate.

Worker's Compensation:

The City joined the South Dakota Municipal League Workers' Compensation Fund (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 \$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 over the past three years.

Unemployment Benefits:

The City is on a reimbursement basis for any claims paid by the unemployment fund administered by the South Dakota Department of Labor. Because claim amounts are small, resources have not been designated to cover future claims. During 2020 unemployment claims of \$6,165 were paid and no unemployment claims were paid in 2021. No unemployment benefits are expected to be paid in 2022.

17. LITIGATION

At December 31, 2021 the City was not a party to material litigation. However, as discussed in the risk management note above, the City has liability coverage for itself and its employees through South Dakota Public Assurance Alliance. Any potential litigation liability is not expected to have a material effect on the City's financial statements.

18. TAX ABATEMENTS

As of December 31, 2021 the City did not provide any tax abatement incentives through its Tax Increment Financing District Projects or through other agreements that are considered tax abatements in accordance with the provisions of GASB Statement No. 77.

19. OTHER DISCLOSURES

The City does not offer any Other Post Employment Benefits.

In March 2022 the City awarded Lawrence Street Phase II construction improvements for \$651,668. Engineering is expected to cost \$120,000.

In March 2022 the City awarded Belle Fourche Regional Landfill Improvements for \$692,664. New cell liner at the Landfill is expected to cost \$1.2 million.

On June 12, 2022 the City experienced hail damage of some \$3,000,000 which is expected to be covered by insurance and FEMA assistance.

CITY OF BELLE FOURCHE
SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDING DECEMBER 31, 2021

GENERAL FUND	Budgeted Amounts				Variance Positive (Negative)	
	Original	Contingency Transfers	Supplementals	Final		Actual
Receipts:						
Receipts from local sources:						
Taxes:						
Ad valorem taxes	4,535,600			4,535,600	1,951,709	-2,583,891
Sales and use tax	0			0	3,527,050	3,527,050
Gross receipts tax	0			0	8,057	8,057
Licenses and permits:	104,300			104,300	157,898	53,598
Intergovernmental receipts:	1,191,800			1,191,800		-1,191,800
Federal grant:	0		87,454	87,454	956,164	868,710
State shared receipts:	0			0		0
State grants	0			0	251,474	251,474
Bank franchise tax	0			0	29,135	29,135
Commercial vehicle prorata	0			0	13,571	13,571
Liquor tax reversion	0			0	41,034	41,034
Motor vehicle licenses (5%)	0			0	66,106	66,106
Highway and bridge	0			0	80,695	80,695
County shared receipts:	0			0	56,664	56,664
Charges for goods and services:	124,900			124,900		-124,900
General government	112,450			112,450	1,662	-110,788
Public safety	0			0	606	606
Public works	0			0	24,178	24,178
Culture and recreation	311,000			311,000	393,502	82,502
Fines and forfeits:	6,050			6,050	6,093	43
Miscellaneous receipts:	0			0		0
Interest received	0			0	1,918	1,918
Rentals and franchise fees	0			0	104,313	104,313
Donations	0			0	495	495
5% beer mark-up	0			0	62,126	62,126
Miscellaneous	1,701,000			1,701,000	1,122	-1,699,878
Total receipts	8,087,100	0	87,454	8,174,554	7,735,572	-438,982
Disbursements						
General government:						
Mayor and Council	88,700			88,700	85,690	3,010
Contingency	50,000			50,000		50,000
Amount transferred	0	-200		-200		-200
Elections	4,600			4,600	2,143	2,457
Financial administration	180,200	200	107,745	288,145	233,234	54,911
Other	803,000			803,000	713,045	89,955
Public safety:						
Police	1,483,600		41,953	1,525,553	1,434,657	90,896
Fire	385,650			385,650	117,986	267,664
Protective inspection	149,420			149,420	116,782	32,638
Public works:						
Highways and streets	2,819,750			2,819,750	982,528	1,837,222
Airport	441,655			441,655	315,480	126,175
Cemetery	413,500			413,500	140,765	272,735
Health and welfare:						
West Nile	12,525			12,525	19,112	-6,587
Health	31,000			31,000	29,100	1,900
Ambulance	81,000		60,000	141,000	141,000	0
Culture and recreation:						
Belle Fourche Area Comm. Cente	1,262,885			1,262,885	1,162,922	99,963
Parks	345,800			345,800	429,414	-83,614
Library	291,550			291,550	274,579	16,971
Bowman/Comm Halls	9,000			9,000	7,789	1,211
Museum	1,510,600			1,510,600	336,012	1,174,588
Conservation and development:						
Economic development	83,965			83,965	202,886	-118,921
Debt service:	420,000			420,000	419,901	99
Other	11,100			11,100		11,100
Total disbursements	10,879,500	0	209,698	11,089,198	7,165,025	3,924,173
Excess of receipts over (under) disbursements	-2,792,400	0	-122,244	-2,914,644	570,547	3,485,191
Other financing sources (uses):						
Transfer in				0	580,017	580,017
Transfer (out)	-125,000			-125,000	-11,192	113,808
Compensation for property damage				0	0	0
Sale of surplus property				0	11,707	11,707
Bond proceeds				0	0	0
Net change in fund balance	-2,917,400	0	-122,244	-3,039,644	1,151,079	4,190,723
Fund balance:						
January 1, 2021	4,942,234			4,942,234	4,942,234	0
December 31, 2021	2,024,834	0	-122,244	1,902,590	6,093,313	4,190,723

CITY OF BELLE FOURCHE
SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDING DECEMBER 31, 2020

GENERAL FUND	Budgeted Amounts				Actual	Variance Positive (Negative)
	Original	Contingency Transfers	Supplemental	Final		
Receipts:						
Receipts from local sources:						
Taxes:						
Ad valorem taxes	4,357,730			4,357,730	1,898,135	-2,459,595
Sales and use tax	0			0	3,038,408	3,038,408
Gross receipts tax	0			0	0	0
Amusement tax	0			0	300	300
Licenses and permits:	103,900			103,900	120,477	16,577
Intergovernmental receipts:	641,220			641,220		-641,220
Federal grant:	0			0	1,323,743	1,323,743
State shared receipts:	0			0	0	0
State grants	0			0	277,583	277,583
Bank franchise tax	0			0	31,642	31,642
Commercial vehicle prorata	0			0	8,892	8,892
Liquor tax reversion	0			0	38,720	38,720
Motor vehicle licenses (5%)	0			0	49,525	49,525
Highway and bridge	0			0	77,446	77,446
County shared receipts:	0			0	60,734	60,734
Charges for goods and services:	93,050			93,050		-93,050
General government	138,550			138,550	2,149	-136,401
Public safety	0			0	740	740
Public works	0			0	20,830	20,830
Culture and recreation	360,950			360,950	228,743	-132,207
Fines and forfeits:	6,270			6,270	4,925	-1,345
Miscellaneous receipts:	580,000			580,000		-580,000
Interest received	0			0	6,366	6,366
Rentals and franchise fees	0			0	93,737	93,737
Donations	0			0	500	500
5% beer mark-up	0			0	57,966	57,966
Miscellaneous	0			0	10,150	10,150
Total receipts	6,281,670	0	0	6,281,670	7,351,711	1,070,041
Disbursements						
General government:						
Mayor and Council	94,450			94,450	103,334	-8,884
Contingency	50,000			50,000		50,000
Amount transferred	0			0		0
Elections	1,200			1,200	468	732
Financial administration	280,075			280,075	275,019	5,056
Other	785,585			785,585	621,322	164,263
Public safety:						
Police	1,455,425			1,455,425	1,422,024	33,401
Fire	180,200			180,200	135,123	45,077
Protective inspection	152,745			152,745	125,555	27,190
Public works:						
Highways and streets	1,790,025			1,790,025	965,433	824,592
Airport	200,930			200,930	218,866	-17,936
Cemetery	308,650			308,650	173,110	135,540
Health and welfare:						
West Nile	12,525			12,525	17,336	-4,811
Health	0			0	28,900	-28,900
Ambulance	57,100			57,100	57,100	0
Culture and recreation:						
Belle Fourche Area Comm. Cente	1,392,515			1,392,515	1,039,289	353,226
Parks	416,985			416,985	297,971	119,014
Library	287,550			287,550	266,364	21,186
Bowman/Comm Halls	9,000			9,000	7,050	1,950
Museum	407,800			407,800	312,316	95,484
Conservation and development:						
Economic development	7,550			7,550	86,308	-78,758
Debt service:	306,000			306,000	3,802,730	-3,496,730
Other	10,100			10,100		10,100
Total disbursements	8,206,410	0	0	8,206,410	9,955,618	-1,749,208
Excess of receipts over (under) disbursements	-1,924,740	0	0	-1,924,740	-2,603,907	-679,167
Other financing sources (uses):						
Transfer in				0	640,541	640,541
Transfer (out)	-155,000			-155,000	-21,851	133,149
Compensation for property damage				0	5,639	5,639
Sale of surplus property				0	7,905	7,905
Bond proceeds				0	3,007,780	3,007,780
Net change in fund balance	-2,079,740	0	0	-2,079,740	1,036,107	3,115,847
Fund balance:						
January 1, 2020	3,906,127			3,906,127	3,906,127	0
December 31, 2020	1,826,387	0	0	1,826,387	4,942,234	3,115,847

CITY OF BELLE FOURCHE

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE YEAR ENDING DECEMBER 31, 2021

3RD CENT	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplemental:	Final		
Receipts:					
Receipts from local sources:					
Taxes:					
Sales and use tax	170,000		170,000	205,861	35,861
Miscellaneous receipts:					
Interest			0		0
Rentals and franchise	15,800		15,800	20,852	5,052
Other	1,000		1,000	40	-960
Total receipts	186,800	0	186,800	226,753	39,953
Disbursements:					
Culture and recreation:					
Recreation - Roundup	110,800		110,800	81,754	29,046
Debt service:	76,000		76,000	75,934	66
Total disbursements	186,800	0	186,800	157,688	29,112
Excess of receipts over (under) disbursements	0	0	0	69,065	69,065
Other financing sources (uses):					
Transfer in			0		0
Sale of surplus property			0	884	884
Net change in fund balance	0	0	0	69,949	69,949
Fund balance:					
January 1, 2021	432,203		432,203	432,203	0
December 31, 2021	432,203	0	432,203	502,152	69,949

FOR THE YEAR ENDING DECEMBER 31, 2020

3RD CENT	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplemental:	Final		
Receipts:					
Receipts from local sources:					
Taxes:					
Sales and use tax	170,000		170,000	176,417	6,417
Miscellaneous receipts:					
Interest received			0	97	97
Rentals and franchise	16,000		16,000	20,915	4,915
Other	1,200		1,200	30	-1,170
Total receipts	187,200	0	187,200	197,459	10,259
Disbursements:					
Culture and recreation:					
Recreation - Roundup	139,125		139,125	115,493	23,632
Debt service:				1,043,517	-1,043,517
Total disbursements	139,125	0	139,125	1,159,010	-1,019,885
Excess of receipts over (under) disbursements	48,075	0	48,075	-961,551	-1,009,626
Other financing sources (uses):					
Transfer in			0		0
Bond proceeds			0	968,379	968,379
Net change in fund balance	48,075	0	48,075	6,828	-41,247
Fund balance:					
January 1, 2020	425,375		425,375	425,375	0
December 31, 2020	473,450	0	473,450	432,203	-41,247

CITY OF BELLE FOURCHE
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2021

BELLE FOURCHE AREA COMMUNITY
 CENTER DONATION FUND

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Supplements		
Receipts:				
Intergovernmental receipts:				
Federal grant:		0	85	85
Charges for goods and services:				
Culture and recreation		0		0
Donations	5,000	5,000	3,965	-1,035
Total receipts	5,000	0	4,050	-950
Disbursements:				
Culture and recreation:				
BFACC activities	5,000	160	4,778	382
Total disbursements	5,000	160	4,778	382
Excess of receipts over (under) disbursements	0	-160	-728	-568
Other financing sources (uses):				
None			0	0
Net change in fund balance	0	-160	-728	-568
Fund balance:				
January 1, 2021	19,513	19,513	19,513	0
December 31, 2021	19,513	-160	18,785	-568

FOR THE YEAR ENDING DECEMBER 31, 2020

BELLE FOURCHE AREA COMMUNITY
 CENTER DONATION FUND

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Supplements		
Receipts:				
Intergovernmental receipts:				
Federal grant:	0	0	127	127
Charges for goods and services:				
Culture and recreation		0		0
Donations	4,000	4,000	2,702	-1,298
Total receipts	4,000	0	2,829	-1,171
Disbursements:				
Culture and recreation:				
BFACC activities	4,000	4,000	6,736	-2,736
Total disbursements	4,000	0	6,736	-2,736
Excess of receipts over (under) disbursements	0	0	-3,907	-3,907
Other financing sources (uses):				
None			0	0
Net change in fund balance	0	0	-3,907	-3,907
Fund balance:				
January 1, 2020	23,420	23,420	23,420	0
December 31, 2020	23,420	0	19,513	-3,907

CITY OF BELLE FOURCHE
 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2021

LIBRARY MEMORIAL FUND	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplements	Final		
Receipts:					
Receipts from local sources:					
Other general receipts			0		0
Donations			0	4,831	4,831
Total receipts	0	0	0	4,831	4,831
Disbursements:					
Culture and recreation:					
Library activities	11,000		11,000		11,000
Total disbursements	11,000	0	11,000	0	11,000
Excess of receipts over (under) disbursements	-11,000	0	-11,000	4,831	15,831
Other financing sources (uses):					
None			0		0
Net change in fund balance	-11,000	0	-11,000	4,831	15,831
Fund balance:					
January 1, 2021	38,558		38,558	38,558	0
December 31, 2021	27,558	0	27,558	43,389	15,831

FOR THE YEAR ENDING DECEMBER 31, 2020
 LIBRARY MEMORIAL FUND

LIBRARY MEMORIAL FUND	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Supplements	Final		
Receipts:					
Receipts from local sources:					
Other general receipts			0		0
Donations			0	4,911	4,911
Total receipts	0	0	0	4,911	4,911
Disbursements:					
Culture and recreation:					
Library activities	11,000		11,000	25	10,975
Total disbursements	11,000	0	11,000	25	10,975
Excess of receipts over (under) disbursements	-11,000	0	-11,000	4,886	15,886
Other financing sources (uses):					
None			0		0
Net change in fund balance	-11,000	0	-11,000	4,886	15,886
Fund balance:					
January 1, 2020	33,672		33,672	33,672	0
December 31, 2020	22,672	0	22,672	38,558	15,886

CITY OF BELLE FOURCHE

SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 FOR THE YEAR ENDING DECEMBER 31, 2021

MUSEUM MEMORIAL FUND

	Budgeted Amounts		Actual Museum	Variance Positive (Negative)
	Original	Supplements		
Receipts:				
Charges for goods and services:				
Culture and recreation			0	3,705
Donations	7,800		7,800	3,753
Total receipts	7,800	0	7,800	7,458
Disbursements:				
Culture and recreation:				
Museum activities	11,450		11,450	17,853
Total disbursements	11,450	0	11,450	17,853
Excess of receipts over (under) disbursements	-3,650	0	-3,650	-10,395
Other financing sources (uses):				
None			0	0
Net change in fund balance	-3,650	0	-3,650	-10,395
Fund balance:				
January 1, 2021	52,614		52,614	52,614
December 31, 2021	48,964	0	48,964	42,219

FOR THE YEAR ENDING DECEMBER 31, 2020

MUSEUM MEMORIAL FUND

	Budgeted Amounts		Actual Museum	Variance Positive (Negative)
	Original	Supplements		
Receipts:				
Charges for goods and services:				
Culture and recreation			0	3,062
Donations	11,600		11,600	2,670
Total receipts	11,600	0	11,600	5,732
Disbursements:				
Culture and recreation:				
Museum activities	11,450		11,450	11,247
Total disbursements	11,450	0	11,450	11,247
Excess of receipts over (under) disbursements	150	0	150	-5,515
Other financing sources (uses):				
None			0	0
Net change in fund balance	150	0	150	-5,515
Fund balance:				
January 1, 2020	58,129		58,129	58,129
December 31, 2020	58,279	0	58,279	52,614

CITY OF BELLE FOURCHE

NOTES TO SUPPLEMENTARY INFORMATION - BUDGETS

SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND AND MAJOR SPECIAL REVENUE FUND FOR THE TWO YEARS ENDING DECEMBER 31, 2021

1. BUDGETS AND BUDGETARY ACCOUNTING

The City of Belle Fourche follows these procedures in establishing the budgetary data reflected in the supplementary information:

- a. At the first regular board meeting in September of each year or within ten days thereafter, the governing board introduces the annual appropriation ordinance for the ensuing fiscal year.
- b. After adoption by the governing board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in d.
- c. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the governing board to any other budget category that is deemed insufficient during the year.
- d. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets. During 2020 there were no supplemental budgets to increase the general fund budget. During 2021 there was one supplemental budgets to increase the general fund budget. See page 40.
- e. Formal budgetary integration is employed as a management control device for the general fund and major special revenue funds.
- f. The budget for the general and the major special revenue funds are not adopted on a basis consistent with generally accepted accounting principles (GAAP) because all accounting, and the adoption of the all budgets, is on a modified cash basis of accounting.

2. GAAP and Budgetary Accounting Basis Difference:

The financial statements prepared in conformity with U.S.GAAP (within the context of the modified cash basis of accounting) present capital outlay disbursement information as a separate category of disbursements. Under the budgetary basis of accounting, capital outlay disbursements are reported within the function to which they relate. For example, the purchase of a road grader would be reported as a capital outlay disbursement in the governmental funds statement of receipts, disbursements and changes in fund cash balance. However, in the budgetary comparison schedules, the purchase of a road grader would be reported as a disbursement in the public works function of general fund, along with all other current public works disbursements.

CITY OF BELLE FOURCHE
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF CHANGES IN LONG-TERM DEBT
 FOR THE TWO YEARS ENDING DECEMBER 31, 2021

	Beginning 12-31-19	2020 Additions (Deletions)	2021 Additions (Deletions)	Governmental Ending 12-31-21	Business-Type Ending 12-31-21	Principal Due in 2022
GOVERNMENTAL - DIRECT BORROWING						
2007 Sales Tax Revenue Bonds:						
Original Loan Amount of \$2,000,000						
Maturing on 9-1-2027						
Interest from 3.60% to 4.35%						
Interest payments due March 1st						
Principal and interest payments due September 1st						
Purpose: pay for construction of a new City Hall						
Secured by sales tax, which is irrevocably						
pledged to the full payment of said bonds.						
Callable at option of City after 9-1-2016						
Paid by debt service fund	1,025,000	-1,025,000		0		0
2012 Sales Tax Revenue Bonds:						
Original Loan Amount of \$4,500,000						
Maturing on 9-1-2032						
Interest from 0.85% to 3.20%						
Principal and interest payments due September 1st						
Purpose: pay for street, sewer and water improvements						
Secured by sales tax, which is irrevocably						
pledged to the full payment of said bonds.						
Callable at option of City after 9-1-2019						
Paid by general fund	3,270,000	-3,270,000		0		0
2014 Motor Grader Lease/Purchase (1/2):						
Original purchase amount: \$258,240						
Maturing in 2021						
Interest at 2.95%						
Advanced payments of \$21,141.80						
Six annual payments of \$21,141.80						
One annual payments of \$150,000.00						
Secured by motor grader						
1/2 paid by general fund	83,196	-83,196		0		0
2018 Sales Tax Revenue Bonds:						
Original Loan Amount of \$1,000,000						
Maturing on 5-1-2038						
Interest at 3.95%						
Semi-annual payments of \$37,171						
Purpose: Construction of new rodeo grounds,						
furnishing and equipping the same						
including a new grandstand						
Secured by the City's 1% non-ad valorem tax						
authorized by SDCL 10-52A-2						
Callable at any time at the option of City						
Paid by 3rd cent fund	969,289	-969,289		0		0
2020 Sales Tax Revenue Refunding Bonds - Series 2020A:						
Original Loan Amount of \$3,884,277						
Maturing on 9-1-2031						
Interest at 1.85%						
Principal and interest payments due March and September 1st						
Purpose: refinance street, water, and sewer improvements						
Secured by sales tax, which is irrevocably						
pledged to the full payment of said bonds.						
Callable in whole at option of City after 9-1-2026						
Paid by general fund	0	3,884,277	-354,049	3,205,520		360,877
		-324,708				
2020 Sales Tax Revenue Refunding Bonds - Series 2020B:						
Original Loan Amount of \$968,379						
Maturing on 5-1-2035						
Interest at 2.15%						
Semi-annual payments of \$37,967						
Purpose: Construction of new rodeo grounds,						
furnishing and equipping the same						
including a new grandstand						
Secured by the City's 1% non-ad valorem tax						
authorized by SDCL 10-52A-2						
Callable after May 1, 2028						
Paid by 3rd cent fund	0	968,379	-55,988	885,644		57,198
		-26,747				
GOVERNMENTAL - OTHER DEBT						
City Advance to TIF #4:						
Total advance plus interest: \$1,000,000						
Repayment as tax incremental revenues						
are received over a period of 10 years						
Secured by property tax payments						
Cost recognized in 2018						
Zero interest						
Paid 1/2 to water 1/2 to sewer						
Paid by TIF #4 fund	972,480	-39,672	-83,200	849,608		107,932
Totals	6,319,965	-885,956	-493,237	4,940,772	0	526,007

CITY OF BELLE FOURCHE

SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN LONG-TERM DEBT (continued)
 FOR THE TWO YEARS ENDING DECEMBER 31, 2021

SCHEDULE OF PAYMENTS:

	Total Payment	Principal	Interest	Balance
	-----	-----	-----	-----
2020 Sales Tax Revenue Refunding Bonds - Series 2020A:				
2022	420,179	360,877	59,302	2,844,643
2023	419,799	367,173	52,626	2,477,470
2024	418,611	372,778	45,833	2,104,692
2025	416,846	377,910	38,936	1,726,782
2026	419,614	387,668	31,946	1,339,114
2027-2031	1,414,428	1,339,114	75,314	0
	-----	-----	-----	
Totals	3,509,477	3,205,520	303,957	
	=====	=====	=====	

2020 Sales Tax Revenue Refunding Bonds - Series 2020B:				
2022	75,933	57,198	18,735	828,446
2023	75,934	58,434	17,500	770,012
2024	75,933	59,697	16,236	710,315
2025	75,934	60,988	14,946	649,327
2026	75,933	62,306	13,627	587,021
2027-2031	379,667	332,324	47,343	254,697
2032	265,767	254,697	11,070	0
	-----	-----	-----	
Totals	1,025,101	885,644	139,457	
	=====	=====	=====	

City Advance to TIF #4:				
2022	107,932	107,932	0	741,676
2023	134,916	134,916	0	606,760
2024	134,916	134,916	0	471,844
2025	134,916	134,916	0	336,928
2026	134,916	134,916	0	202,012
2027-2028	202,012	202,012	0	0
	-----	-----	-----	
Totals	849,608	849,608	0	
	=====	=====	=====	

CITY OF BELLE FOURCHE

SUPPLEMENTAL INFORMATION
 SCHEDULE OF CHANGES IN LONG-TERM DEBT (continued)
 FOR THE TWO YEARS ENDING DECEMBER 31, 2021

	Beginning 12-31-19	2020 Additions (Deletions)	2021 Additions (Deletions)	Governmental Ending 12-31-21	Business-Type Ending 12-31-21	Principal Due in 2022
BUSINESS-TYPE - DIRECT BORROWING						
2014 Motor Grader Lease/Purchase (1/2):						
1/2 Paid by landfill fund	83,196	-83,196			0	0
2017 Clean Water SRF Borrower Bond:						
Original Loan Amount of \$2,125,000						
Maturing on 8-15-2039						
Interest at 2.25%						
Purpose: sewer project						
Payable exclusively out of pledged revenue from segregated customer surcharge receipts of the sewer fund.						
No prepayment without lender's consent						
Paid by the sewer fund	2,039,861	-87,071	-89,047		1,863,743	91,067
2017 Drinking Water SRF Revenue Bond:						
Original Loan Amount of \$265,000						
Maturing on 5-15-2039						
Interest at 2.25%						
Purpose: water project						
Payable from water system revenue less those expenses directly associated with the operation and maintenance of the system.						
No prepayment without lender's consent						
Paid by the water fund	254,383	-10,858	-11,105		232,420	11,357
2019 Clean Water SRF Revenue Bond:						
Original Loan Amount of \$1,836,000						
Maturing on 8-15-2041						
Interest at 2.50%						
Purpose: replacement of Day Street Lift station						
Payable from sewer system revenue less those expenses directly associated with the operation and maintenance of the system.						
Also secured by statutory mortgage and other provisions of SDCL 9-40.						
No prepayment without lender's consent		1,127,631	708,369			
Paid by the sewer fund	0		-17,759		1,818,241	72,152
Totals	2,377,440	946,506	590,458	0	3,914,404	174,576

SCHEDULE OF PAYMENTS:	Total Payment	Principal	Interest	Balance
2017 Clean Water SRF Borrower Bond:				
2022	132,237	91,067	41,170	1,772,676
2023	132,237	93,134	39,103	1,679,542
2024	132,237	95,247	36,990	1,584,295
2025	132,237	97,408	34,829	1,486,887
2026	132,237	99,618	32,619	1,387,269
2027-2031	661,184	533,042	128,142	854,227
2032-2036	661,183	596,327	64,856	257,900
2037-2038	264,473	257,900	6,573	0
Totals	2,248,025	1,863,743	384,282	
2017 Drinking Water SRF Revenue Bond:				
2022	16,491	11,357	5,134	221,063
2023	16,491	11,614	4,877	209,449
2024	16,491	11,878	4,613	197,571
2025	16,491	12,147	4,344	185,424
2026	16,491	12,423	4,068	173,001
2027-2031	82,454	66,474	15,980	106,527
2032-2036	82,453	74,365	8,088	32,162
2037-2038	32,981	32,162	819	0
Totals	280,343	232,420	47,923	
2019 Clean Water SRF Revenue Bond:				
2022	116,935	72,152	44,783	1,746,089
2023	116,935	73,973	42,962	1,672,116
2024	116,935	75,840	41,095	1,596,276
2025	116,935	77,754	39,181	1,518,522
2026	116,935	79,715	37,220	1,438,807
2027-2031	584,677	429,788	154,889	1,009,019
2032-2036	584,677	486,824	97,853	522,195
2037-2041	555,443	522,195	33,248	0
Totals	2,309,472	1,818,241	491,231	

CITY OF BELLE FOURCHE
FOR THE EIGHT YEARS ENDING DECEMBER 31, 2021

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
SOUTH DAKOTA RETIREMENT SYSTEM'S NET PENSION (ASSET)/LIABILITY

SDRS Measurement Date Year Ended (1)	City's Pension Allocation Percentage	City's Proportionate Share of Net Pension (Asset) Liability	City's Covered Employee Payroll for its 6-30 Year End	City's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2021	0.1290740%	-988,486	2,733,235	(36.17%)	105.52%
June 30, 2020	0.1233352%	-5,356	2,525,817	(0.21%)	100.04%
June 30, 2019	0.1213765%	-12,863	2,423,208	(0.53%)	100.09%
June 30, 2018	0.1193185%	-2,783	2,325,484	(0.12%)	100.02%
June 30, 2017	0.1153980%	-10,472	2,208,462	(0.47%)	100.10%
June 30, 2016	0.1231037%	415,832	2,194,516	18.95%	96.89%
June 30, 2015	0.1223437%	-518,895	2,100,611	(24.70%)	104.10%
June 30, 2014	0.1275175%	-918,711	2,090,563	(43.95%)	107.30%

(1) The amounts presented for each fiscal year were determined as of the collective net pension (asset)/liability which is 6-30 of the City's current calendar year.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF BELLE FOURCHE
FOR THE EIGHT YEARS ENDING DECEMBER 31, 2021

SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S CONTRIBUTIONS
TO THE SOUTH DAKOTA RETIREMENT SYSTEM

City's Year Ended	Contractually Required Contribution	Contributions Related to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Employee Payroll for its Calendar Year End	Contributions as a Percentage of Covered Employee Payroll
December 31, 2021	171,800	171,800	0	2,673,606	6.43%
December 31, 2020	175,385	175,385	0	2,726,000	6.43%
December 31, 2019	176,315	176,315	0	2,759,075	6.39%
December 31, 2018	153,990	153,990	0	2,407,489	6.40%
December 31, 2017	144,969	144,969	0	2,274,752	6.37%
December 31, 2016	148,056	148,056	0	2,313,228	6.40%
December 31, 2015	136,018	136,018	0	2,131,537	6.38%
December 31, 2014	134,207	134,207	0	2,095,925	6.40%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF BELLE FOURCHE

NOTES TO SUPPLEMENTARY INFORMATION - PENSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY
AND SCHEDULE OF PENSION CONTRIBUTIONS FOR THE TWO YEARS ENDING DECEMBER 31, 2021

Changes of Prior Valuation:

The June 30, 2021 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2020 Actuarial Valuation. One change in actuarial assumptions and one plan provision change are reflected and described below.

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

Benefit Provision Changes:

Legislation enacted in 2021 reduced the minimum SDRS COLA from 0.5% to 0%. This change will impact the SDRS COLA only when inflation is very low or when a restricted maximum COLA of 0.5% is not affordable. The change had no impact on the current assets or liabilities of SDRS.

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 0.0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. The condition existed as of June 30, 2020 and the July 2021 SDRS COLA was limited to a restricted maximum of 1.41%. As of June 30, 2021, the FVFR assuming the COLA is equal to the baseline COLA assumption is greater than 100%. The July 2022 SDRS COLA will equal inflation, between 0% and 3.5%. For the June 30, 2020 actuarial valuation, future COLAs were assumed to equal the restricted maximum of 1.41%. For this June 30, 2021 actuarial valuation, future COLAs are assumed to equal the baseline COLA assumption of 2.25%.

The change in the COLA assumption increased the actuarial accrued liability by \$1,135 million, or 8.9% of the actuarial accrued liability based on the 1.41% restricted maximum COLA.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2022 actuarial valuation.

Actuarial Method Changes:

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

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*

To the Honorable Mayor and
Members of the Belle Fourche City Council
Belle Fourche, South Dakota

INDEPENDENT AUDITOR'S REPORT

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of governmental activities, business-type activities, and each major fund, of the City of Belle Fourche (City), Butte County, South Dakota, as of December 31, 2021 and for each year the biennial period then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated September 7, 2022 which was qualified.

Report on Internal Control Over Financial Reporting:

In planning and performing my audit of the financial statements, I considered City of Belle Fourche'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Belle Fourche's internal control.

A *deficiency in internal control* exist 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of City's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency*, is a deficiency, or 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.

My 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. Given these limitations, during my audit I did not identify a deficiency in internal control that I consider to be a material weakness. However, material weaknesses may exist that have not been identified.

I did note minor matters involving internal control that I reported to the governing body and management of the City of Belle Fourche in a separate Letter of Comments dated September 7, 2022.

City of Belle Fourche
Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters -- Page Two

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether City of Belle Fourche's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion.

The results of my tests did not disclose an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

I did note minor matters involving compliance that I reported to the governing body and management of the City of Belle Fourche in a separate Letter of Comments dated September 7, 2022.

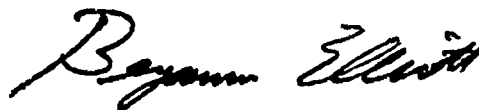
Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

September 7, 2022



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

To the Honorable Mayor and
Members of the Belle Fourche City Council
Belle Fourche, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program:

I have audited the City of Belle Fourche's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, that could have a direct and material effect on the City's major federal program as of December 31, 2021 and for each year in the biennial period then ended. The City's major federal program is identified in the summary of auditor's results section in the accompanying schedule of audit findings and questioned cost (page 58).

In my opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the two years ending December 31, 2021.

Basis for Opinion on a Major Federal Program:

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

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

Management's Responsibility for Compliance:

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

Auditor's Responsibilities for the Audit of Compliance:

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood, that individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, I:

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

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

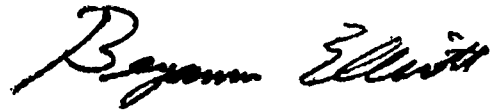
A *significant deficiency* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in my audit described in the accompanying schedule of findings and questioned costs. The City's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota



September 7, 2022

CITY OF BELLE FOURCHE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE TWO YEARS ENDING DECEMBER 31, 2021

Grantor Program Name	Assistance Listing (CFDA) Number	2021 Expenditures	2020 Expenditures
Direct Federal Funding:			
Department of Justice:			
Public Safety Partnership and Community Policing Grant	16.710	0	2,271
Total Department of Justice		0	2,271
Indirect Federal Funding:			
Department of Interior:			
Pass-through the State of South Dakota Land and Water Conservation Fund	15.916	75,000	0
Total Department of Interior		75,000	0
Department of Transportation:			
Pass-through the State of South Dakota Airport Improvement Program	20.106	244,800	206,637
Airport Improvement Program - COVID-19	20.106	27,200	30,000
State and Community Highway Safety	20.600	9,375	12,076
Total Department of Transportation		281,375	248,713
Department of Treasury:			
Pass-through South Dakota Bureau of Finance and Management Coronavirus Relief Fund (note 2)	21.019	87,454	1,010,121
Total Department of Treasury		87,454	1,010,121
General Services Administration:			
Pass-through the South Dakota Federal Property Agency: Donation of Federal Surplus Personal Property (note 3)	39.003	3,971	525
Total General Services Administration		3,971	525
National Endowment for the Humanities:			
Pass-through the South Dakota Department of Education State Library Program - COVID-19	45.310		12,000
Total National Endowment for the Humanities		0	12,000
Department of Homeland Security:			
Pass-through the State of South Dakota Law Enforcement Terrorism Prevention Program	97.074	2,500	50,638
Total Department of Homeland Security		2,500	50,638
Grand Total of Expenditures of Federal Awards		450,300	1,324,268
Federal loans outstanding at December 31, 2021:			
None		0	

Note 1:
 This schedule of expenditures of federal awards includes federal grant activity for the City of Belle Fourche. It is presented on a cash basis of accounting, the same as the City's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

Note 2:
 This represents a major federal financial assistance program.

Note 3:
 The amount reported represents 23.3% of the original acquisition cost of the federal surplus property received by the city. Original acquisition cost is provided by Federal Surplus Property. It is not what the city actually paid for the item(s).

Note 4:
 The City has elected not to use the 10% de minimus cost rate.

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Prior Federal Audit Findings:

The prior audit report was not subject to Single Audit Uniform Guidance requirements.

Prior Other Audit Findings:

There were no prior year other audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Section I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified Opinion

Material noncompliance noted: None Reported

Internal control over financial reporting:

* Material weakness(es) identified. None Reported

* Significant deficiency(ies) identified that are not considered to be material weaknesses. None Reported

Federal Awards:

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Internal control over major programs:
* Material weakness(es) identified. None Reported

* Significant deficiency(ies) identified that are not considered to be material weaknesses. Finding 2021-001

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Finding 2021-001

Identification of major program:

Dept. of Treasury:
Assistance Listing (CFDA) No. 21.019 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B federal award programs. \$750,000

Does the City of Belle Fourche qualify as a low-risk auditee? No

Section II. Financial Statement Findings

None Reported

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Section III. Federal Award Findings and Questioned Costs

2021-001 Dept. of Treasury: Assistance Listing (CFDA) No. 21.019
Coronavirus Relief Fund

Reporting

Significant Deficiency in Internal Control over Compliance

Criteria: A good system of internal controls requires that Single Audit reports under Uniform Guidance be submitted within 9 months of the financial statement's year end.

Condition: The City did not submit its Single Audit report under Uniform Guidance within 9 months of the financial statement's year end.

Cause: The City does not have an internal control system sufficient to provide for the timely filing of its Single Audit report under Uniform Guidance.

Effect: This result in the City failing to file its Single Audit report within the 9 months deadline required by Uniform Guidance.

Questioned Cost: None reported.

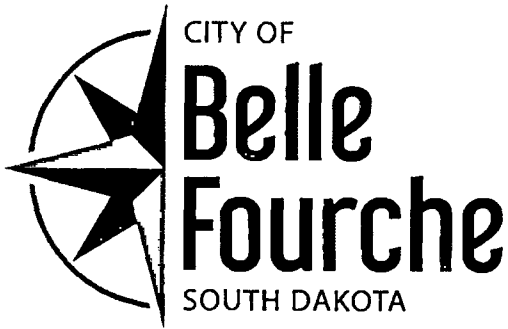
Context/Sampling: The filing of this Single Audit report was tested.

Repeat Finding from Prior Year(s): No

Recommendation: It is the responsibility of management and those charged with governance to develop a system of internal control that will ensure that Single Audit reports are filed within the 9 months deadline required by Uniform Guidance.

Views of Responsible Officials: There is no disagreement with the audit finding.

**Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
December 31, 2021 and 2020**



Summary Schedule of Prior Audit Findings:

The prior audit report was not subject to Single Audit Uniform Guidance requirements.

Corrective Action Plan:

Finding 2021-001	Reporting
Federal Agency Name:	Department of Treasury
Program Name:	Coronavirus Relief Fund
FFA:/CFDA #:	21.019
Finding Summary:	This Single Audit report was not filed within 9 months of the City year end as required by Uniform Guidance.
Responsible Individuals:	Jason LaFayette, Finance Officer
Corrective Action Plan:	The City will develop internal controls sufficient to ensure that compliance with future Single Audit report filing deadlines are met.
Anticipated Completion Date:	The next audit which requires Single Audit report filing under Uniform Guidance.