Visit Rapid City
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December 31, 2025 and 2024

FINANCIAL STATEMENTS

Visit Rapid City
Combined Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 1,298,357	$ 1,208,649
Investments	2,068,107	1,987,743
Taxes and Accounts Receivable, Net of Allowance for Credit Losses of $0 for 2025 and 2024	416,135	423,336
Grants Receivable	120,000	-
Unconditional Promises to Give, Net of Discount	97,000	183,500
Inventory	10,067	11,196
Prepaid Expenses	92,353	191,817
Property and Equipment, Net of Depreciation	1,044,952	1,074,895
Operating Lease Right-of-use Asset	91,671	65,923
Financing Lease Right-of-use Asset, Net of Amortization	15,332	20,497
Assets Held by Community Foundation	224,016	196,818
TOTAL ASSETS	$ 5,477,990	$ 5,364,374
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	$ 195,269	$ 82,150
Unearned Revenue	2,500	-
Amounts Held for Others	22,173	19,953
Operating Lease Liability	89,175	67,961
Financing Lease Liability	16,167	20,881
Total Liabilities	325,284	190,945
Net Assets:		
Net Assets with Donor Restrictions	491,169	253,557
Net Assets Without Donor Restrictions:		
Board-designated for Endowment	204,016	176,818
Board-designated for Operating Reserve	750,000	750,000
Undesignated	3,707,521	3,993,054
Total Net Assets	5,152,706	5,173,429
TOTAL LIABILITIES AND NET ASSETS	$ 5,477,990	$ 5,364,374

The accompanying notes are an integral part of this statement.

Visit Rapid City
Combined Statements of Activities
For the Years Ended December 31, 2025 and 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support, Gains, and Other Revenues:		
Tax Revenues	$ 3,440,454	$ 3,376,041
Grants and Contributions	376,750	377,865
Net Investment Return	115,222	92,517
Interest	-	34,679
Insurance Proceeds	-	22,791
Advertising	-	15,750
Partnership Fees	13,600	15,300
Rental Income	-	12,650
Loss on Sale of Assets	-	(7,289)
	3,946,026	3,940,304
Program Revenues	357,665	335,993
Less Cost of Goods Sold	(21,485)	(16,551)
Net Program Revenues	336,180	319,442
Total Support, Gains, and Other Revenues	4,282,206	4,259,746
Net Assets Released from Restrictions	420,505	536,050
Total Support, Gains, and Other Revenues Without Donor Restrictions	4,702,711	4,795,796
Expenses:		
Program Expenses	4,194,112	4,082,491
Management and General	648,817	635,475
Total Expenses	4,842,929	4,717,966
Change in Net Assets Without Donor Restrictions	(140,218)	77,830
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	540,000	458,000
Net Assets Released from Restrictions	(420,505)	(536,050)
Change in Net Assets With Donor Restrictions	119,495	(78,050)
TOTAL CHANGE IN NET ASSETS	(20,723)	(220)
NET ASSETS - BEGINNING	5,173,429	5,173,649
NET ASSETS - ENDING	$ 5,152,706	$ 5,173,429

The accompanying notes are an integral part of this statement.

Visit Rapid City
Combined Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program	Management and General	Total
Salaries and Wages	$ 1,037,333	$ 259,333	$ 1,296,666
Employee Benefits	102,292	25,573	127,865
Payroll Taxes	85,069	21,267	106,336
Total Wages and Benefits	1,224,694	306,173	1,530,867
Advertising	2,226,359	-	2,226,359
Professional Services	206,093	209,135	415,228
Depreciation and Amortization	175,346	43,836	219,182
Occupancy	83,151	20,787	103,938
Repair and Maintenance	80,917	20,229	101,146
Office	79,897	19,994	99,891
Insurance	47,273	11,818	59,091
Travel	45,551	11,388	56,939
Miscellaneous	25,774	322	26,096
Training and Education	20,542	5,135	25,677
	2,990,903	342,644	3,333,547
Less Expenses Included with Revenues on the Statement of Activities:			
Cost of Goods Sold	(21,485)	-	(21,485)
	$ 4,194,112	$ 648,817	$ 4,842,929

The accompanying notes are an integral part of this statement.

Visit Rapid City
Combined Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program	Management and General	Total
Salaries and Wages	$ 1,156,984	$ 289,246	$ 1,446,230
Employee Benefits	128,256	32,064	160,320
Payroll Taxes	87,895	21,974	109,869
Total Wages and Benefits	1,373,135	343,284	1,716,419
Advertising	1,826,613	-	1,826,613
Professional Services	235,409	148,487	383,896
Occupancy	183,441	41,723	225,164
Repair and Maintenance	148,367	37,092	185,459
Depreciation and Amortization	96,234	23,391	119,625
Office	65,439	16,358	81,797
Events	69,846	-	69,846
Insurance	38,763	9,691	48,454
Training and Education	27,496	6,874	34,370
Dues	18,338	4,586	22,924
Travel	12,601	3,149	15,750
Donations	2,832	708	3,540
Interest	411	103	514
Credit Loss	117	29	146
	2,725,907	292,191	3,018,098
Less Expenses Included with Revenues on the Statement of Activities:			
Cost of Goods Sold	(16,551)	-	(16,551)
	$ 4,082,491	$ 635,475	$ 4,717,966

The accompanying notes are an integral part of this statement.

Visit Rapid City
Combined Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (20,723)	$ (220)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	219,182	191,063
Gain on Investments	(40,215)	(114,061)
Increase in Value of Assets Held By Community Foundation	(27,198)	-
Loss on Disposal of Equipment	-	7,705
Loss on Termination of Lease	-	(7,436)
(Increase) Decrease in:		
Taxes and Accounts Receivable	7,201	7,116
Grants Receivable	(120,000)	-
Unconditional Promises to Give	86,500	53,500
Inventory	1,129	(6,228)
Prepaid Expenses	99,464	(55,653)
Increase (Decrease) in:		
Accounts Payable	113,119	1,375
Unearned Revenue	2,500	(2,500)
Amounts Held for Others	2,220	765
Net Cash Provided by Operating Activities	323,179	75,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(121,703)	(475,593)
Proceeds on Sale of Assets	-	8,000
Purchase of Investments	(40,149)	(547,942)
Sale of Investments	-	222,314
Net Cash Used in Investing Activities	(161,852)	(793,221)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Leases	(71,619)	(69,874)
NET INCREASE (DECREASE) IN CASH	89,708	(787,669)
CASH - BEGINNING	1,208,649	1,996,318
CASH - ENDING	$ 1,298,357	$ 1,208,649

The accompanying notes are an integral part of this statement.

Visit Rapid City
Combined Statements of Cash Flows (Continued)
For the Years Ended December 31, 2025 and 2024

	2025	2024
SUPPLEMENTAL CASH FLOW INFORMATION		
Right-of-use Assets Obtained in Exchange for Lease Liabilities:		
Operating Leases	$ 84,486	$ 75,273
Finance Leases	$ 3,633	$ 24,205
Cash Paid for Amounts Included in		
Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 65,188	$ 69,390
Operating Cash Flows from Finance Leases	$ 1,611	$ 997
Financing Cash Flows from Finance Leases	$ 8,348	$ 4,686
Interest Paid	$ 1,611	$ 997

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Visit Rapid City (VRC), Rapid City Sports Commission (RCSC), Main Street Square, Inc. (MSS), and City of Presidents (COP) (collectively, the Organization), are non-profit organizations. VRC is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(6) and RCSC, MSS, and COP are classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3). VRC was formed in 1971 and promotes leisure travel, group travel and tours, and meetings and convention events in the Rapid City, South Dakota and the Black Hills area. RCSC began operating in 2023 and promotes sporting events and partner programs in the Rapid City, South Dakota area. MSS was formed in 2010 and oversees the development, maintenance, management, and promotion of downtown Rapid City and the operations of a publicly owned plaza (the Square) located at the corner of 6th Street and Main Street in Rapid City, South Dakota. COP was formed in 1999 to raise funds for the design and placement of presidential statues in the downtown Rapid City corridor.

The Board of Directors of RCSC is the Executive Committee of the Board of Directors of VRC. During the year ended December 31, 2025, COP came under the control of VRC by relinquishing assets and ceding control to the VRC Board of Directors. During the year ended December 31, 2024, VRC and MSS came under common control. The Board of Directors of MSS became the Executive Committee of the Board of Directors of VRC after the transition. The organizations also share management. Accordingly, the entities are under common control and combined financial statements have been prepared for the Organization.

The Organization attracts visitors to the City, as well as provides information about the City to visitors and locals alike by promoting awareness of local businesses, supporting area events, and providing informational materials to the public.

The Organization is dependent upon tourism and local support.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Principles of Combination

The accompanying combined financial statements include the accounts of VRC, RCSC, MSS, and COP. All significant intercompany balances and transactions have been eliminated in the combined statements.

Cash and Concentration of Credit Risk

For financial statement purposes, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash allocated to the investment portfolio as part of the Organization’s investment strategy is reported as investments. The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value and are based primarily on quoted market prices or estimated fair values in the Statement of Financial Position. Investment income is recognized as revenue in the period it is earned, and gains and losses are recognized as changes in net assets in the accounting period in which they occur. Net investment return (loss) is reported on the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Realized gains and losses are determined on a specific identity basis.

Inventory

Inventory consists of retail merchandise held for sale in the visitor center or Main Street Square for events and is stated at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets. Purchased property and equipment are carried at cost. Donated property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Furniture, Equipment, and Vehicles	5 - 10 years
Leasehold Improvements	5 - 15 years
Buildings	40 years

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets of the Organization that are not subject to donor-imposed restrictions and are available for general operations. The VRC Board has designated, from net assets without donor restrictions, an operating reserve in the amount of $750,000.

Net Assets with Donor Restrictions - Net assets of the Organization that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Promises to Give

Promises to give consist of pledge commitments that are long-term or annual in nature. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, the amortization of the discount is included in contribution revenue in the Combined Statements of Activities. The allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2025 and 2024, all promises to give were determined by management to be collectible and no allowance was recorded.

Tax Receivables and Revenues

The City of Rapid City collects sales taxes and lodging taxes within specified zones and remits those collections to the Organization. Statutes and ordinances require the taxes to be used to support the tourism and marketing activities of the City. These taxes are collected by the state in the month following the eligible sales or lodging rentals and remitted to the City in the month after collection by the state. The City remits the tax collection to the Organization upon receipt.

Partnership Fees

The Organization collects partnership fees from a third party that prepares a guidebook of local businesses. The third party pays the Organization a percentage of revenues. Revenue is recognized when received. At December 31, 2025 and 2024, there were no continuing obligations by the Organization.

Program Revenues, Receivables, and Unearned Revenue

Program revenues consist of trolley ticket sales, net merchandise revenue, Certified Tourism Ambassador (CTA) class registration fees, sports event sponsorships, ice skating passes and equipment rentals, and tickets, food, and beverage sales for various events held at Main Street Square. Program revenues are recorded and collected at the time of the transaction when tickets are sold, when merchandise, food, or beverages are purchased, when a participant registers for a CTA class, or at the time of sporting events.

Sporting event sponsorships may be collected in advance of the event, resulting in the recording of unearned revenue. MSS also sells gift cards that can be used in participating downtown Rapid City businesses. Gift cards held for sale are included in prepaid expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following table provides information about significant changes in the contract liabilities for the years ended December 31:

	2025	2024
Unearned Sports Sponsorships - Beginning	$ -	$ 2,500
Sports Sponsorships Earned During the Year	-	(2,500)
Partnership Fees Collected in Advance	2,500	-
Unearned Revenues - Ending	$ 2,500	$ -

Contributions

Contributions are recognized when cash, securities, other assets, unconditional promises to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. No conditional grants have been received, nor have any grants been received in advance of meeting performance requirements.

Nonfinancial Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other items, which are recorded at the respective fair values of goods and services received. Volunteers contribute significant amounts of time to program services; however, the combined financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed nonfinancial assets are recorded at fair value at the date of donation. No significant contributions of non-financial assets were received during the years ended December 31, 2025 and 2024.

Grant Revenues and Receivables

Based on the terms of individual grant agreements, revenue is considered to be a contribution or an exchange transaction. No grants were recognized as exchange transactions during the years ended December 31, 2025 and 2024. Grants are recognized as revenues when received based on reimbursement requests for eligible expenses incurred. Eligible expenses are defined as those that have met the allowable criteria for revenue recognition under the grant agreements. As of December 31, 2025, the Organization had been awarded $240,000, payable in two installments for the general operating costs of MSS for the years ending December 31, 2026 and 2027. This amount has been reported as revenue, as it is not considered conditional. As of December 31, 2024, the Organization was awarded $28,000 for capital improvements to Main Street Square that were spent during the year ended December 31, 2025. This donation was considered a conditional contribution as of December 31, 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Loss

Sponsorships receivable related to MSS are due upon invoicing. The Organization has elected the practical expedient to determine the allowance for expected credit losses using collections subsequent to year-end. The Organization also assumes that current conditions as of the balance sheet do not change for the remaining life of the asset when estimating expected credit losses. Collections have been evaluated through March 31, 2026. All outstanding sponsorship receivables have been collected. As such, no allowance for expected credit loss is reported for the years ended December 31, 2025 and 2024. Receivables are written off only when there is information that indicates a sponsor is facing financial difficulty and there is no possibility of recovery. If any recoveries are made from accounts previously written off, they are recognized as revenue in the year of recovery. Write-offs for the years ending December 31, 2025 and 2024 were $0 and $146, respectively.

Concentrations

The Organization receives substantially all of its revenues from taxes related to sales and hotel occupancy in Rapid City, South Dakota. Changes in Rapid City ordinances pledging revenues to the Organization could negatively impact the financial condition of the Organization.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Combined Statements of Activities. The Combined Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated to the program and the supporting services that benefited. The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated based on management’s estimate of total staff time and effort benefiting each program.

Leases

The Organization has entered into operating and finance leases for office space and equipment. The obligations associated with these leases have been recognized as a liability in the statement of financial position based on future lease payments, discounted by the incremental borrowing rate. Lease terms may include options to extend or terminate certain leases and are reflected in the valuation if it is reasonably certain that management will exercise an option to extend or terminate a lease.

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the Combined Statements of Financial Position. ROU assets and lease liabilities reflect the present value of future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the term of the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes

The Organization qualifies as exempt organizations under Section 501(c)(6) and 501(c)(3) of the Internal Revenue Code. The Organization is not liable for income taxes if it operates within the confines of its exempt status. However, the Organization may be responsible for taxes on unrelated business activities. In the event of an examination of the income tax returns, the tax liability of the Organization could be changed if taxing authorities adjust the tax-exempt purpose of the Organization or if taxing authorities determine that activities are subject to unrelated business income.

As of December 31, 2025, the Organization had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. The Organization's income tax filings are subject to audit by various taxing authorities. The Organization is no longer subject to federal and state income tax examinations by taxing authorities for years before fiscal year 2022. Management continually evaluates expiring statutes of limitation, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes its estimates are appropriate based on current facts and circumstances. Interest and penalties assessed by income taxing authorities, if any, are included in interest expense.

Advertising

The Organization's main purpose is to promote the Rapid City area. Advertising costs are expensed as incurred. Advertising expense was $2,226,359 and $1,826,613 for the years ended December 31, 2025 and 2024, respectively.

Liquidity

Assets and liabilities are presented in the order of liquidity in the Combined Statements of Financial Position. Any further restrictions are disclosed in the notes to the financial statements.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reporting and classification of amounts at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standard

During the year ended December 31, 2025, the Organization adopted the practical expedient described in paragraphs 326-20-30-10C through 30-10D that allows the consideration of collection activity after the balance sheet date but before the financial statements are available to be issued when estimating expected credit losses. The adoption of this practical expedient did not have a significant impact on the reported balances.

NOTE 2 - PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows as of December 31:

	2025	2024
Due in Less Than One Year	$ 50,000	$ 90,500
Due in One to Five Years	50,000	100,000
	100,000	190,500
Less Discount to Net Present Value	(3,000)	(7,000)
Net Unconditional Promises to Give	$ 97,000	$ 183,500

As of December 31, 2025 and 2024, 100% and 79%, respectively, of promises to give are from two donors.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without restrictions limiting their use, within one year of the Combined Statements of Financial Position date, comprise the following at December 31:

	2025	2024
Financial Assets Available for Use:		
Cash	$ 1,298,357	$ 1,208,649
Investments	2,068,107	1,987,743
Taxes and Accounts Receivable	416,135	423,336
Grants Receivable	120,000	-
Unconditional Promises to Give, Current	50,000	90,500
Assets Held by Community Foundation	224,016	196,818
	$ 4,176,615	$ 3,907,046

The beneficial interest in assets held by the community foundations was designated by the Board as an endowment. The community foundations allow for quarterly income distributions based on the performance of assets. It is the intent of the Board to allow these assets to grow and not take distributions.

As part of liquidity management, excess cash is invested in short-term investments including money markets. Tax revenues collected by the Organization are sufficient to fund operations.

NOTE 4 - AMOUNTS HELD FOR OTHERS

The Organization acts as an agent for an unrelated organization performing services in the community. The Organization has recognized receipts collected and disbursements paid as increases and decreases, respectively, of a liability rather than revenues and expenses.

NOTE 5 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31 is as follows:

	2025	2024
Furniture, Equipment, and Vehicles	$ 1,334,645	$ 1,266,844
Buildings	349,130	459,634
Leasehold Improvements	339,308	174,901
Total Property and Equipment	2,023,083	1,901,379
Less: Accumulated Depreciation	(978,131)	(826,484)
Total Property and Equipment, Net	$ 1,044,952	$ 1,074,895

NOTE 6 - LEASES

The Organization leases certain office facilities and equipment at various terms under long-term non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2030 and provide renewal options. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating lease requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Organization's applicable borrowing rates and the contractual lease term.

The lease payments used to determine the lease liability and right-of-use assets include any residual guarantees the Organization is probable to pay at the termination of the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The right-of-use asset and corresponding liabilities as of December 31 are as follows:

	2025		2024	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Right-of-use Assets	$ 91,671	$ 15,332	$ 65,923	$ 20,497
Lease Liability	89,175	16,167	67,961	20,881
Weighted Average:				
Discount Rate	5.61%	8.16%	6.24%	8.21%
Remaining Lease Term (Months)	12.1	18.8	12.9	27.2

NOTE 6 - LEASES (CONTINUED)

Lease costs for the years ended December 31 were as follows:

	2025	2024
Finance:		
Amortization of Right-of-use Assets	$ 8,798	$ 4,686
Interest on Lease Liability	1,611	997
Operating	67,228	69,390
	$ 77,637	$ 75,073

Certain equipment finance leases require additional payments based on the usage of equipment. These variable payments are recognized as operating expenses as they are incurred.

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of December 31, 2025:

	Operating Leases	Finance Leases
2026	$ 40,119	$ 10,009
2027	34,419	4,660
2028	19,958	839
2029	-	839
2030	-	560
	94,496	16,907
Less: Discount	(5,321)	(740)
	$ 89,175	$ 16,167

NOTE 7 - INVESTMENTS

Certain assets are reported at fair value in the combined financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level I - Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level II - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

NOTE 7 - INVESTMENTS (CONTINUED)

Level III - Unobservable inputs for the asset. In these situations, inputs are developed using the best information in the circumstances.

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate fair values of assets held by community foundations, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The fair value of each financial instrument in the table below was measured using input guidance and valuation techniques. The following table sets forth the inputs used and the estimated fair values of financial instruments at December 31:

	2025			
	Level I	Level II	NAV	Total
U.S. Treasuries	$ 925,280	$ -	$ -	$ 925,280
Corporate Bonds	-	758,668	-	758,668
Money Market Funds	384,159	-	-	384,159
Assets Held By Community Foundations	-	-	224,016	224,016
	$ 1,309,439	$ 758,668	$ 224,016	$ 2,292,123

	2024		
	Level I	NAV	Total
U.S. Treasuries	$ 1,971,938	$ -	$ 1,971,938
Assets Held By Community Foundations	-	196,818	196,818
Money Market Funds	15,805	-	15,805
	$ 1,987,743	$ 196,818	$ 2,184,561

The fair value of assets held by community foundations is measured at fair value using NAV per share as a practical expedient and is as follows at December 31, 2025 and 2024:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
As of December 31, 2025:					
Assets Held By Community Foundations	2	$ 224,016	$ -	Monthly	30 days
As of December 31, 2024:					
Assets Held By Community Foundations	2	$ 196,818	$ -	Monthly	30 days

NOTE 8 - ASSETS HELD BY COMMUNITY FOUNDATION

The Organization transferred assets to the South Dakota Community Foundation (SDCF) and Black Hills Area Community Foundation (BHACF) to establish, on the books of SDCF and BHACF, an endowment fund in the name of Main Street Square, Inc. These funds are invested and distributed in accordance with the investment and spending policies of SDCF and BHACF. In addition, the Organization received a matching contribution of $20,000 from BHACF with its initial investment, which is held in perpetuity. Earnings on endowment funds are designated until appropriated by the Board of Directors for use in operations. Any allocation to donor-restricted amounts is not significant. Distributions from the SDCF fund were available but no distributions were taken in the years ended December 31, 2025 and 2024. The Organization annually elects whether to receive earnings available for distribution from BHACF based on current operational needs. The BHACF and SDCF have the power to modify any restrictions or conditions on the distribution of funds for any specified charitable purpose or to specified organizations, if in the sole judgment of the governing body, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the BHACF or SDCF. Because the Organization has named itself the beneficiary of these funds, the amounts have been recorded as assets held by the Community Foundations on the accompanying Combined Statements of Financial Position.

The amounts held by SDCF and BHACF have been valued, as a practical expedient, at the net asset value of the Organization’s share of SDCF and BHACF’s investment pools as of the measurement date. SDCF and BHACF value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of SDCF and BHACF, which include private placements and other securities for which prices are not readily available, are determined by the management of SDCF and BHACF and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The amounts held by SDCF and BHACF are not redeemable by the Organization.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

	Board-designated Endowment	With Donor Restrictions	Total
Endowment Net Assets, December 31, 2024	$ 176,818	$ 20,000	$ 196,818
Net Investment Return	27,198	-	27,198
Endowment Net Assets, Decemebr 31, 2025	$ 204,016	$ 20,000	$ 224,016

NOTE 8 - ASSETS HELD BY COMMUNITY FOUNDATION (CONTINUED)

The Organization considers the following factors in determining whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2025	2024
Subject to the Passage of Time:		
Promises to Give that are not Restricted by Donors	$ 337,000	$ 143,000
Required to be Held in Perpetuity:		
Endowment	20,000	20,000
Subject to Expenditures for Specified Purpose:		
Presidential Statues	118,117	-
Ambassador Program	4,782	51,042
Ice Skating Passes	11,270	11,515
Capital Improvements	-	28,000
Total Net Assets with Donor Restrictions	$ 491,169	$ 253,557

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2025	2024
Expiration of Time Restrictions	$ 46,000	$ 94,000
Satisfaction of Purpose Restrictions:		
Marketing	250,000	250,000
Capital Improvements	28,000	139,391
Sporting Events	-	5,508
Ambassador Program	86,260	20,008
Ice Skating Passes	10,245	27,143
	$ 420,505	$ 536,050

NOTE 10 - EMPLOYEE BENEFITS

The Organization maintains a Simple IRA plan. The plan provides for salary deferrals for all employees who meet certain eligibility requirements as to age and hours of service. Under the provisions of the plan, employees may elect to contribute a percentage of their compensation to the plan subject to limitations described by law. The plan provides for employer matching contributions of three percent. Employer matching contributions totaled $24,738 and $30,771 for the years ended December 31, 2025 and 2024, respectively.

NOTE 11 - OPERATIONS OF CITY OF PRESIDENTS

During the year ended December 31, 2025, the City of Presidents Board of Directors voted to cede control of the organization to the Board of Directors of Visit Rapid City. The purpose of City of Presidents is to raise funds for the design and placement of presidential statues in the downtown Rapid City corridor. Due to the overlapping mission of both organizations, it was determined that combined management and oversight would eliminate administrative burden and duplication of efforts. A separate corporation and tax-exempt status will be maintained by each entity. The change in control resulted in a donation of $118,136 of cash assets to Visit Rapid City from City of Presidents. Due to the separate tax-exempt status of City of Presidents, separate accounting is maintained. The change in control resulted in the issuance of combined financial statements.

NOTE 12 - OPERATIONS OF MAIN STREET SQUARE

During the year ended December 31, 2024, the Main Street Square Board of Directors voted to cede control of the organization to the Board of Directors of Visit Rapid City. The purpose of Main Street Square is to improve the quality of life and bring residents and visitors to downtown Rapid City. Due to the overlapping mission of both organizations, it was determined that combined management and oversight would eliminate administrative burden and duplication of efforts. A separate corporation and tax-exempt status will be maintained by each entity. The change in control resulted in the issuance of combined financial statements.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent to year-end, the Organization entered into an agreement with an artist for the design and construction of a new presidential statue. The agreement requires a total payment of $105,000 payable in $21,000 increments upon completion of various stages of the project. Upon completion and placement, the statue becomes the property of the City of Rapid City, SD.

Subsequent events were evaluated through the date of the independent auditor’s report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Visit Rapid City
Combining Statement of Financial Position
December 31, 2025

	Visit Rapid City	Rapid City Sports Commission	Main Street Square	City of Presidents	Eliminations	Total
ASSETS						
Cash	$ 814,172	$ 5,044	$ 361,703	$ 117,438	$ -	$ 1,298,357
Investments	1,636,973	-	431,134	-	-	2,068,107
Taxes and Accounts Receivable, Net of Allownce for Credit Losses of $0	402,655	-	13,480	-	-	416,135
Grants Receivable	-	-	120,000	-	-	120,000
Unconditional Promises to Give, Net of Discount	-	97,000	-	-	-	97,000
Due from Related Party	135,356	-	-	679	(136,035)	-
Inventory	7,612	-	2,455	-	-	10,067
Prepaid Expenses	49,159	15,704	29,990	-	(2,500)	92,353
Property and Equipment, Net of Depreciation	439,349	25,318	580,285	-	-	1,044,952
Operating Lease Right-of-use Asset	91,671	-	-	-	-	91,671
Financing Lease Right-of-use Asset, Net of Amortization	9,281	-	6,051	-	-	15,332
Assets Held By Community Foundation	-	-	224,016	-	-	224,016
TOTAL ASSETS	$ 3,586,228	$ 143,066	$ 1,769,114	$ 118,117	$ (138,535)	$ 5,477,990
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts Payable	$ 148,919	$ 12,016	$ 34,334	$ -	$ -	$ 195,269
Due to Related Party	679	272	135,084	-	(136,035)	-
Unearned Revenue	5,000	-	0	-	(2,500)	2,500
Amounts Held for Others	22,173	-	-	-	-	22,173
Operating Lease Liability	89,175	-	-	-	-	89,175
Financing Lease Liability	9,733	-	6,434	-	-	16,167
Total Liabilities	275,679	12,288	175,852	-	(138,535)	325,284
Net Assets:						
Net Assets with Donor Restrictions	-	97,000	276,052	118,117	-	491,169
Net Assets Without Donor Restrictions:						
Board-designated for Endowment	-	-	204,016	-	-	204,016
Board-designated for Operating Reserve	750,000	-	-	-	-	750,000
Undesignated	2,560,549	33,778	1,113,194	-	-	3,707,521
Total Net Assets	3,310,549	130,778	1,593,262	118,117	-	5,152,706
TOTAL LIABILITIES AND NET ASSETS	$ 3,586,228	$ 143,066	$ 1,769,114	$ 118,117	$ (138,535)	$ 5,477,990

See independent auditor's report.

Visit Rapid City
Combining Statement of Activities
For the Year Ended December 31, 2025

	Visit Rapid City	Rapid City Sports Commission	Main Street Square	City of Presidents	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS						
Support, Gains, and Other Revenues:						
Tax Revenues	$ 3,168,058	$ -	$ 272,396	$ -	$ -	$ 3,440,454
Grants and Contributions	61,810	6,020	190,784	118,136	-	376,750
Net Investment Return	67,637	-	47,585	-	-	115,222
Partnership Fees	6,400	-	7,200	-	-	13,600
Intercompany Contributions	-	615,627	92,289	-	(707,916)	-
	3,303,905	621,647	610,254	118,136	(707,916)	3,946,026
Program Revenues	71,440	8,831	277,394	-	-	357,665
Less Cost of Goods Sold	(8,934)	-	(12,551)	-	-	(21,485)
Net Program Revenues	62,506	8,831	264,843	-	-	336,180
Total Support, Gains, and Other Revenues	3,366,411	630,478	875,097	118,136	(707,916)	4,282,206
Net Assets Released from Restrictions	250,000	46,000	124,505	-	-	420,505
Total Support, Gains, and Other Revenues Without Donor Restrictions	3,616,411	676,478	999,602	118,136	(707,916)	4,702,711
Expenses:						
Program Expenses	3,367,378	654,453	880,197	-	(707,916)	4,194,112
Management and General	374,767	77,588	196,443	19	-	648,817
Total Expenses	3,742,145	732,041	1,076,640	19	(707,916)	4,842,929
Change in Net Assets Without Donor Restrictions	(125,734)	(55,563)	(77,038)	118,117	-	(140,218)
NET ASSETS WITH DONOR RESTRICTIONS						
Contributions	250,000	-	290,000	-	-	540,000
Net Assets Released from Restrictions	(250,000)	(46,000)	(124,505)	-	-	(420,505)
Change in Net Assets With Donor Restrictions	-	(46,000)	165,495	-	-	119,495
TOTAL CHANGE IN NET ASSETS	(125,734)	(101,563)	88,457	118,117	-	(20,723)
NET ASSETS - BEGINNING	3,436,283	232,341	1,504,805	-	-	5,173,429
NET ASSETS - ENDING	$ 3,310,549	$ 130,778	$ 1,593,262	$ 118,117	$ -	$ 5,152,706

See independent auditor's report.