

Visit Rapid City
Board of Directors Meeting
(Combined with the Hotel BID Board of Directors)
The Monument, Room 207
444 N Mt Rushmore Road
Thursday, August 13, 2026
10:00AM – 11:00AM



Call to Order

Tim Johnson

Consent Agenda

Tim Johnson

- 1) Meeting Agenda
- 2) April 2026 Meeting Minutes
- 3) Financial Statements
 - a. March 2026
 - b. April 2026
 - c. May 2026
 - d. June 2026

New Business

Tim Johnson/Ally Formanek

- 1) 2025 Audit Presentation
- 2) Rapid City Public School Bond Presentation
- 3) BID Legislation
- 4) America 250 Preliminary Recap

Deidre Budahl
Coy Sasse
Carmen Schramm

Other Business

Tim Johnson

Adjourn

Tim Johnson



MINUTES FOR THE BOARD OF DIRECTORS MEETING

Thursday, April 9, 2026

10:00 a.m. – 11:00 a.m.

The Monument

Combined with **Hotel BID Board of Directors Meeting**

VRC BOARD OF DIRECTORS

PRESENT

J. Scheitler
T. Johnson
K. Cook
C. Small
N. Stiefvater
M. Derby
S. Landguth
S. Hull
W. Lampert

NON-VOTING MEMBERS

R. Jeffries
K. Maher
L. Braun (for Mayer Salamun)
C. Baltzer

ABSENT

L. Steffens

NON-VOTING MEMBERS

J. Brockelsby
J. Biegler
M. Thompson

HOTEL BID BOARD OF DIRECTORS

PRESENT

J. Battochio
G. Fawbush
K. Ratigan
S. Carter
W. Lampert
S. Hull

NON-VOTING MEMBERS

T. Johnson
A. Formanek
K. Maher

ABSENT

L. Steffens

NON-VOTING MEMBERS

Mayor Salamun

VRC STAFF – Ally Formanek, Laura Schluckebier, Callie Meyer, Chantel McDonnell

Call to Order

T. Johnson called the meeting to order at 10:04 a.m. at The Monument.

Consent Agenda

J. Battochio made a motion to approve the meeting agenda. S. Landguth seconded motion. Motion carried.

C. Small made a motion to approve the February 2026 VRC/BID meeting minutes. S. Landguth seconded motion. Motion carried.

S. Landguth made a motion to approve the January-February 2026 financial statements. S. Carter seconded motion. Motion carried.

New Business

America 250 Sponsorship Opportunities

J. Toennies, City of Rapid City, presented sponsorship opportunities on behalf of the America 250 Steering Committee. The city has contributed \$250,000 to support the America 250 celebration in Rapid City and has issued a challenge to the community to raise an additional \$250,000 in sponsorship funds.

FIB Wealth Management Market Update

A. Kosobud, Wealth Advisor at First Interstate Bank Wealth Management, provided a market update and reviewed Visit Rapid City's investment portfolio, currently valued at \$1,647,599. He discussed the portfolio's fixed-income holdings and reported \$258,193 in cash and cash equivalents.

Legislative Update

Representative Derby provided an overview of 2026 legislation session. He reported SB 76 authorizing low-interest loans to the Rapid City and Sioux Falls airport was passed and signed into law.

Economic Impact Visitors Report

A. Formanek presented the 2025 Economic Impact of Visitors to Rapid City report, noting a 1.4% increase in total visitation and a 2.9% increase in visitor spending over 2024. She reported growth in day visitation, while overnight stays experienced a slight decline. Formanek added that 2026 marketing efforts will focus on increasing overnight visitation.

Main Street Square Events

Formanek presented the 2026 Main Street Square event schedule, highlighting the addition of Splash Lab, a free STEAM experience for children. She also reported that Live on the Lawn, an event including live music, will return to Thursday evenings at the venue.

Other Business

A. Formanek invited board members to attend the Travel South Dakota Spring Customer Service Seminar on May 5, noting that Visit Rapid City will provide a sponsored breakfast in conjunction with the event.

Formanek introduced new VRC board members, Curt Small and Nate Stiefvater, as well as VRC's new Marketing Director, Chantel McDonnell.

Adjournment

Meeting adjourned at 11:18 a.m.

Respectfully submitted,
Laura Schluckebier, Senior Director of Operations
Visit Rapid City

Visit Rapid City
Balance Sheet
As of March 31, 2026

ASSETS	Total
Current Assets	
Bank Accounts	
1000 VRC Checking	538,029.54
1003 MSS Cash on Hand - Safe	5,614.00
1004 MSS Checking	435,806.34
1005 RCSC Checking	5,043.71
1006 City of Presidents Checking	96,437.74
1010 RC Sports Association Checking	21,031.78
1071 Bill.com Money In Clearing	(2.11)
1100 VRC Savings	255,551.46
1150 VRC Cash Drawer	500.00
Total Cash	1,358,012.46
1600 VRC FIWM Portfolio	1,647,599.14
1601 MSS FIWM Account	433,486.83
1651 MSS Endowments	222,659.15
Total Bank Accounts	3,661,757.58
Accounts Receivable	
1400 Accounts Receivable	397,960.00
Total Accounts Receivable	397,960.00
Other Current Assets	
12000 Undeposited Funds	170.75 *
1402 Discount on Pledges Receivable	(3,000.00)
1410 Intercompany Receivables	50,676.63
1700 VRC Merchandise Inventory	3,059.30
1701 MSS Beverage Inventory	124.88
1703 MSS Merchandise Inventory	2,173.00
1800 MSS Prepaid Gift Cards	(12,920.51)
Total Other Current Assets	40,284.05
Total Current Assets	4,100,001.63
Fixed Assets	
1500 Furniture and Equipment	1,334,644.77 *
1501 Accumulated Depreciation	(978,130.71) *
1502 Leasehold Improvements	339,308.62 *
1504 Accumulated Amortization - Right of Use Asset	(71,244.00) *
1505 Buildings	349,129.61 *
1510 Lease Asset	178,246.80 *
Total Fixed Assets	1,151,955.09
TOTAL ASSETS	5,251,956.72

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Balance Sheet
As of March 31, 2026

	<u>Total</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	200,137.11
Total Accounts Payable	<u>200,137.11</u>
Credit Cards	
2310 Divvy Credit Card	35,240.96
Total Credit Cards	<u>35,240.96</u>
Other Current Liabilities	
2400 Payroll Liabilities	2,797.40
Total 2400 Payroll Liabilities	<u>2,797.40</u>
2450 RC Sports Association	22,540.17
25500 VRC Sales Tax Payable	35.89
25501 MSS Sales Tax Payable	626.00
2560 Intercompany Payable	50,676.63
Total Other Current Liabilities	<u>76,676.09</u>
Total Current Liabilities	<u>312,054.16</u>
Long-Term Liabilities	
2555 Lease Liability	105,341.87 *
Total Long-Term Liabilities	<u>105,341.87</u>
Total Liabilities	<u>417,396.03</u>
Equity	
3200 Unrestricted Net Assets	3,870,474.70
3201 Restricted Net Assets	419,312.00 *
3202 Board Designated Net Assets	954,016.00 *
Net Loss	(409,242.01)
Total Equity	<u>4,834,560.69</u>
TOTAL LIABILITIES AND EQUITY	<u><u>5,251,956.72</u></u>

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Visit Rapid City

Profit and Loss

March 2026

	<u>Total</u>
Income	
4000 Revenue	
4100 BBB-Sales Tax Receipts	82,785.19
4200 BID	275,982.30
4300 Marketing Serv Fees-Partnership	2,527.00
4400 Investments	508.47
4500 Miscellaneous Revenue	186.31
4560 Sports Commission	50.00
4600 Trolley Revenue	405.10
4610 Ice Skating	1,145.48
4620 Events	6,604.11
4800 Grants and Donations	3,050.00
4830 Sponsorship Income	2,500.00
Total 4000 Revenue	375,743.96
Total Income	375,743.96
Cost of Goods Sold	
50000 Cost of Goods Sold	
5700 Merchandise Cost of Goods Sold	6,208.51
Total 50000 Cost of Goods Sold	6,208.51
Total Cost of Goods Sold	6,208.51
Gross Profit	369,535.45
Expenses	
5000 Office/Administrative	
5210 Rent	11,055.96
5215 Storage	415.84
5220 Utilities	8,208.90
5230 Equipment Lease and Purchase	891.90
5240 Equipment Maintenance	2,649.45
5250 Insurance	14,072.00
5305 Office Supplies	896.44
5335 Auto Expense	557.25
5360 Service Charges/Bank Fees	707.97
5390 Membership Dues	50.00
5400 Professional Fees	44,133.14
5401 Professional Fees-Legal	528.35
5402 Professional Fees-Accounting	23,516.44
5600 Board - Travel and Expenses	8.10
Total 5000 Office/Administrative	107,691.74
5100 Employee Compensation & Benefit	
5150 Salaries	90,209.57
5175 Employee Benefits	9,417.35
5189 Payroll Taxes	3,613.64
5340 Training and Education	4,882.39
5350 Employee Relations	2,379.71
Total 5100 Employee Compensation & Benefits	110,502.66

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Visit Rapid City

Profit and Loss

March 2026

	Total
8100 Sales	
8102 FAMs/Site Visit	1,038.32
8105 CTA	1,244.59
8106 Servicing	434.20
8107 Sponsorships	4,914.97
Total 8100 Sales	7,632.08
8109 Marketing	
8111 Print Advertising	12,555.00
8112 Broadcast	909.09
8113 Billboard/OOH	1,200.00
8114 Research/Planning	1,079.18
8115 Promo Items	6,055.42
8116 Digital	42,084.00
8117 Content Production	764.64
8118 Website	3,819.74
8120 Public Relations/Retainer/Agenc	7,280.02
8124 Events	2,708.96
8125 Printing and Copying	6,414.22
8126 Postage/Info Distribution	3,721.87
8127 Subscriptions	3,586.27
8128 Staff Travel	4,238.06
8130 City Improvement Projects	21,000.00
8135 America 250	1,432.60
8999 Cash Over/Short	(0.02)
Total 8109 Marketing	118,849.05
Total Expenses	344,675.53
Net Operating Income	24,859.92
Other Income	
9100 Unrealized Gain/Loss on Investm	(6,809.39)
9101 Investment Interest/Dividends	9,469.28
9102 Realized Gain/Loss on Investments	1,428.73
Total Other Income	4,088.62
Other Expenses	
9200 Investment Fees	1,377.04
Total Other Expenses	1,377.04
Net Other Income	2,711.58
Net Income	27,571.50

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Visit Rapid City

Statement of Revenue and Expenses, Budgetary Basis

March 2026

	YTD Total		
	Actual	Budget	% of Budget
Income			
4000 Revenue			
4100 BBB-Sales Tax Receipts	82,785.19	1,638,854.00	5.05%
4200 BID	275,982.30	1,826,243.00	15.11%
4300 Marketing Serv Fees-Partnership	35,777.00	52,500.00	68.15%
4400 Investments	1,403.04	8,400.00	16.70%
4500 Miscellaneous Revenue	1,627.20	5,280.00	30.82%
4560 Sports Commission	50.00	-	0.00%
4610 Ice Skating	75,906.28	160,000.00	47.44%
4620 Events	11,990.08	126,000.00	9.52%
4810 SD Department of Tourism	250,000.00	250,000.00	100.00%
4600 Trolley Revenue	405.10	65,000.00	0.62%
4700 Merchandise Revenue	31.08	25,000.00	0.12%
4800 Grants and Donations	69,550.00	537,000.00	12.95%
4811 America 250 - City of Rapid City	250,000.00	250,000.00	100.00%
4820 Partners in Progress	-	57,500.00	0.00%
4830 Sponsorship Income	2,500.00	62,500.00	4.00%
Total for 4000 Revenue	1,058,007.27	5,064,277.00	20.89%
49900 Uncategorized Income	-	-	
Total for Income	1,058,007.27	5,064,277.00	20.89%
Cost of Goods Sold			
50000 Cost of Goods Sold			
5700 Merchandise Cost of Goods Sold	6,325.68	25,000.00	25.30%
Total for 50000 Cost of Goods Sold	6,325.68	25,000.00	25.30%
Total for Cost of Goods Sold	6,325.68	25,000.00	25.30%
Gross Profit	1,051,681.59	5,039,277.00	20.87%
Expenses			
5000 Office/Adminstrative			
5210 Rent	21,555.52	63,271.91	34.07%
5211 Property Tax Expense	-	6,000.00	0.00%
5215 Storage	1,630.98	7,501.00	21.74%
5220 Utilities	15,082.45	71,870.00	20.99%
5230 Equipment Lease and Purchase	6,844.28	107,220.00	6.38%
5240 Equipment Maintenance	19,310.04	80,000.00	24.14%
5250 Insurance	60,901.00	65,000.00	93.69%
5305 Office Supplies	2,540.62	11,574.00	21.95%
5335 Auto Expense	2,694.92	28,504.00	9.45%
5360 Service Charges/Bank Fees	3,935.42	23,600.00	16.68%
5390 Membership Dues	31,244.89	35,555.03	87.88%
5400 Professional Fees	79,518.36	250,092.00	31.80%
5401 Professional Fees-Legal	2,369.10	-	0.00%
5402 Professional Fees-Accounting	42,971.39	-	0.00%
5600 Board - Travel and Expenses	24.99	4,500.00	0.56%
Total for 5000 Office/Adminstrative	290,623.96	754,687.94	38.51%
5150 Salaries	283,983.17	1,713,580.01	16.57%
5175 Employee Benefits	27,271.59	-	-
5189 Payroll Taxes	22,814.21	-	-
5340 Training and Education	11,568.39	35,900.00	32.22%
5350 Employee Relations	3,166.56	11,500.00	27.54%
Total for 5100 Employee Compensation & Benefits	348,803.92	1,760,980.01	19.81%

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Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
March 2026

	YTD Total		
	Actual	Budget	% of Budget
8100 Sales			
8101 Tradeshows	11,105.45	20,000.00	55.53%
8102 FAMs/Site Visit	5,035.67	20,000.00	25.18%
8105 CTA	1,716.25	17,000.00	10.10%
8106 Servicing	1,761.70	12,500.00	14.09%
8107 Sponsorships/Partnerships	25,132.25	104,100.00	24.14%
8103 BID Fees/Business Development	25,000.00	72,500.00	34.48%
Total for 8100 Sales	69,751.32	246,100.00	28.34%
8109 Marketing			
8110 Banners, Displays, Signage	6,093.61	29,699.00	20.52%
8111 Print Advertising	67,399.60	80,338.00	83.90%
8112 Broadcast	11,809.18	19,500.00	60.56%
8113 Billboard/OOH	3,150.00	24,349.00	12.94%
8114 Research/Planning	43,433.89	100,855.48	43.07%
8115 Promo Items	16,375.29	43,498.00	37.65%
8116 Digital	255,162.99	768,270.00	33.21%
8117 Content Production	43,382.61	138,642.00	31.29%
8118 Website	11,682.82	74,361.00	15.71%
8120 Public Relations/Retainer/Agenc	21,465.89	172,000.00	12.48%
8124 Events	6,751.88	121,700.00	5.55%
8125 Printing and Copying	71,564.31	86,776.00	82.47%
8126 Postage/Info Distribution	10,981.29	31,344.00	35.03%
8127 Subscriptions	79,084.13	153,976.12	51.36%
8128 Staff Travel	16,597.41	72,200.00	22.99%
8130 City Improvement Projects	42,000.00	360,000.00	11.67%
8135 America 250	56,432.60	-	0.00%
8999 Cash Over/Short	(0.03)	-	0.00%
Total for 8109 Marketing	763,367.47	2,277,508.60	33.52%
Total for Expenses	1,472,546.67	5,039,276.55	29.22%
Net Operating Loss	(420,865.08)	-	
Other Income			
9100 Unrealized Gain/Loss on Investm	(9,302.99)	-	0.00%
9101 Investment Interest/Dividends	22,258.43	-	0.00%
9102 Realized Gain/Loss on Investments	1,428.73	-	0%
Total for Other Income	14,384.17	-	
Other Expenses			
9200 Investment Fees	2,761.10	-	0.00%
Total for Other Expenses	2,761.10	-	0.00%
Net Other Income	11,623.07	-	
Net loss	(409,242.01)	-	

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Visit Rapid City
Balance Sheet
As of April 30, 2026

ASSETS	Total
Current Assets	
Bank Accounts	
1000 VRC Checking	468,149.46
1003 MSS Cash on Hand - Safe	5,614.00
1004 MSS Checking	410,454.20
1005 RCSC Checking	5,043.71
1006 City of Presidents Checking	96,437.74
1010 RC Sports Association Checking	21,032.64
1071 Bill.com Money In Clearing	(4,180.32)
1100 VRC Savings	255,946.34
1150 VRC Cash Drawer	500.00
Total Cash	1,258,997.77
1600 VRC FIWM Portfolio	1,651,715.26
1601 MSS FIWM Account	433,751.85
1651 MSS Endowments	222,659.15
Total Bank Accounts	3,567,124.03
Accounts Receivable	
1400 Accounts Receivable	395,360.00
Total Accounts Receivable	395,360.00
Other Current Assets	
1402 Discount on Pledges Receivable	(3,000.00)
1410 Intercompany Reveivable	62,739.34
1700 VRC Merchandise Inventory	16,388.40
1701 MSS Beverage Inventory	90.26
1703 MSS Merchandise Inventory	2,173.00
1800 MSS Prepaid Gift Cards	(14,768.59)
Total Other Current Assets	63,622.41
Total Current Assets	4,026,106.44
Fixed Assets	
1500 Furniture and Equipment	1,334,644.77 *
1501 Accumulated Depreciation	(978,130.71) *
1502 Leasehold Improvements	339,308.62 *
1504 Accumulated Amortization - Right of Use Asset	(71,244.00) *
1505 Buildings	349,129.61 *
1510 Lease Asset	178,246.80 *
Total Fixed Assets	1,151,955.09
TOTAL ASSETS	5,178,061.53

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Substantially All Disclosures Have Been Omitted

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Visit Rapid City
Balance Sheet
As of April 30, 2026

	Total
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	121,579.66
Total Accounts Payable	121,579.66
Credit Cards	
2310 Divvy Credit Card	39,576.44
Total Credit Cards	39,576.44
Other Current Liabilities	
2400 Payroll Liabilities	2,555.53
Total 2400 Payroll Liabilities	2,555.53
2450 RC Sports Association	23,541.03
25500 VRC Sales Tax Payable	192.87
25501 MSS Sales Tax Payable	653.62
2560 Intercompany Payable	62,739.34
Total Other Current Liabilities	89,682.39
Total Current Liabilities	250,838.49
Long-Term Liabilities	
2555 Lease Liability	105,341.87 *
Total Long-Term Liabilities	105,341.87
Total Liabilities	356,180.36
Equity	
3200 Unrestricted Net Assets	3,870,474.70 *
3201 Restricted Net Assets	419,312.00 *
3202 Board Designated Net Assets	954,016.00 *
Net Loss	(421,921.53)
Total Equity	4,821,881.17
TOTAL LIABILITIES AND EQUITY	5,178,061.53

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Visit Rapid City

Profit and Loss

April 2026

	<u>Total</u>
Income	
4000 Revenue	
4100 BBB-Sales Tax Receipts	118,026.08
4200 BID	75,378.60
4400 Investments	480.48
4500 Miscellaneous Revenue	374.10
4600 Trolley Revenue	515.91
4610 Ice Skating	(457.48)
4620 Events	11,073.76
4800 Grants and Donations	28,200.00
4811 America 250 - City of Rapid City	49,000.00
4820 Partners in Progress	2,500.00
4830 Sponsorship Income	14,000.00
Total 4000 Revenue	<u>299,091.45</u>
Total Income	<u>299,091.45</u>
Cost of Goods Sold	
50000 Cost of Goods Sold	
5700 Merchandise Cost of Goods Sold	(8,209.44)
Total 50000 Cost of Goods Sold	<u>(8,209.44)</u>
Total Cost of Goods Sold	<u>(8,209.44)</u>
Gross Profit	<u>307,300.89</u>
Expenses	
5000 Office/Administrative	
5210 Rent	2,749.77
5215 Storage	1,375.26
5220 Utilities	3,094.13
5230 Equipment Lease and Purchase	7,871.15
5240 Equipment Maintenance	7,327.19
5305 Office Supplies	763.77
5335 Auto Expense	1,168.11
5360 Service Charges/Bank Fees	1,329.31
5400 Professional Fees	10,381.42
5401 Professional Fees-Legal	254.59
5402 Professional Fees-Accounting	21,970.20
5600 Board - Travel and Expenses	67.18
Total 5000 Office/Administrative	<u>58,352.08</u>
5100 Employee Compensation & Benefit	
5150 Salaries	102,155.38
5175 Employee Benefits	9,626.30
5189 Payroll Taxes	7,442.38
5340 Training and Education	1,630.00
5350 Employee Relations	3,023.63
Total 5100 Employee Compensation & Benefits	<u>123,877.69</u>

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Visit Rapid City

Profit and Loss

April 2026

	<u>Total</u>
8100 Sales	
8101 Tradeshows	1,510.86
8102 FAMs/Site Visit	421.31
8105 CTA	236.03
8106 Servicing	10.00
8107 Sponsorships	6,839.89
Total 8100 Sales	<u>9,018.09</u>
8109 Marketing	
8110 Banners, Displays, Signage	621.35
8112 Broadcast	1,000.00
8113 Billboard/OOH	1,050.00
8114 Research/Planning	15,349.42
8115 Promo Items	1,095.20
8116 Digital	53,871.64
8117 Content Production	8,446.15
8118 Website	4,790.02
8120 Public Relations/Retainer/Agenc	9,924.51
8124 Events	1,139.33
8125 Printing and Copying	1,723.30
8126 Postage/Info Distribution	9,239.92
8127 Subscriptions	3,823.67
8128 Staff Travel	5,821.16
8135 America 250	15,218.04
8999 Cash Over/Short	(0.02)
Total 8109 Marketing	<u>133,113.69</u>
Total Expenses	<u>324,361.55</u>
Net Operating Loss	<u>(17,060.66)</u>
Other Income	
9100 Unrealized Gain/Loss on Investm	653.47
9101 Investment Interest/Dividends	4,422.55
Total Other Income	<u>5,076.02</u>
Other Expenses	
9200 Investment Fees	694.88
Total Other Expenses	<u>694.88</u>
Net Other Income	<u>4,381.14</u>
Net Loss	<u><u>(12,679.52)</u></u>

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Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
April 2026

	YTD Total		
	Actual	Budget	% of Budget
Income			
4000 Revenue			
4100 BBB-Sales Tax Receipts	200,811.27	1,638,854.00	12.25%
4200 BID	351,360.90	1,826,243.00	19.24%
4300 Marketing Serv Fees-Partnership	35,777.00	52,500.00	68.15%
4400 Investments	1,883.52	8,400.00	22.42%
4500 Miscellaneous Revenue	2,001.30	5,280.00	37.90%
4560 Sports Commission	50.00	-	0.00%
4610 Ice Skating	75,448.80	160,000.00	47.16%
4620 Events	23,063.84	126,000.00	18.30%
4810 SD Department of Tourism	250,000.00	250,000.00	100.00%
4600 Trolley Revenue	921.01	65,000.00	1.42%
4700 Merchandise Revenue	31.08	25,000.00	0.12%
4800 Grants and Donations	97,750.00	537,000.00	18.20%
4811 America 250 - City of Rapid City	299,000.00	250,000.00	119.60%
4820 Partners in Progress	2,500.00	57,500.00	4.35%
4830 Sponsorship Income	16,500.00	62,500.00	26.40%
Total for 4000 Revenue	1,357,098.72	5,064,277.00	26.80%
49900 Uncategorized Income	-	-	
Total for Income	1,357,098.72	5,064,277.00	26.80%
Cost of Goods Sold			
50000 Cost of Goods Sold			
5700 Merchandise Cost of Goods Sold	(1,883.76)	25,000.00	-7.54%
Total for 50000 Cost of Goods Sold	(1,883.76)	25,000.00	-7.54%
Total for Cost of Goods Sold	(1,883.76)	25,000.00	-7.54%
Gross Profit	1,358,982.48	5,039,277.00	26.97%
Expenses			
5000 Office/Adminstrative			
5210 Rent	24,305.29	63,271.91	38.41%
5211 Property Tax Expense	-	6,000.00	0.00%
5215 Storage	3,006.24	7,501.00	40.08%
5220 Utilities	18,176.58	71,870.00	25.29%
5230 Equipment Lease and Purchase	14,715.43	107,220.00	13.72%
5240 Equipment Maintenance	26,637.23	80,000.00	33.30%
5250 Insurance	60,901.00	65,000.00	93.69%
5305 Office Supplies	3,304.39	11,574.00	28.55%
5335 Auto Expense	3,863.03	28,504.00	13.55%
5360 Service Charges/Bank Fees	5,264.73	23,600.00	22.31%
5390 Membership Dues	31,244.89	35,555.03	87.88%
5400 Professional Fees	89,899.78	250,092.00	35.95%
5401 Professional Fees-Legal	2,623.69	-	0.00%
5402 Professional Fees-Accounting	64,941.59	-	0.00%
5600 Board - Travel and Expenses	92.17	4,500.00	2.05%
Total for 5000 Office/Adminstrative	348,976.04	754,687.94	46.24%
5150 Salaries	386,138.55	1,713,580.01	22.53%
5175 Employee Benefits	36,897.89	-	-
5189 Payroll Taxes	30,256.59	-	-
5340 Training and Education	13,198.39	35,900.00	36.76%
5350 Employee Relations	6,190.19	11,500.00	53.83%
Total for 5100 Employee Compensation & Benefits	472,681.61	1,760,980.01	26.84%

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
April 2026

	YTD Total		
	Actual	Budget	% of Budget
8100 Sales			
8101 Tradeshows	12,616.31	20,000.00	63.08%
8102 FAMs/Site Visit	5,456.98	20,000.00	27.28%
8105 CTA	1,952.28	17,000.00	11.48%
8106 Servicing	1,771.70	12,500.00	14.17%
8107 Sponsorships/Partnerships	31,972.14	104,100.00	30.71%
8103 BID Fees/Business Development	25,000.00	72,500.00	34.48%
Total for 8100 Sales	78,769.41	246,100.00	32.01%
8109 Marketing			
8110 Banners, Displays, Signage	6,714.96	29,699.00	22.61%
8111 Print Advertising	67,399.60	80,338.00	83.90%
8112 Broadcast	12,809.18	19,500.00	65.69%
8113 Billboard/OOH	4,200.00	24,349.00	17.25%
8114 Research/Planning	58,783.31	100,855.48	58.28%
8115 Promo Items	17,470.49	43,498.00	40.16%
8116 Digital	309,034.63	768,270.00	40.22%
8117 Content Production	51,828.76	138,642.00	37.38%
8118 Website	16,472.84	74,361.00	22.15%
8120 Public Relations/Retainer/Agenc	31,390.40	172,000.00	18.25%
8124 Events	7,891.21	121,700.00	6.48%
8125 Printing and Copying	73,287.61	86,776.00	84.46%
8126 Postage/Info Distribution	20,221.21	31,344.00	64.51%
8127 Subscriptions	82,907.80	153,976.12	53.84%
8128 Staff Travel	22,418.57	72,200.00	31.05%
8130 City Improvement Projects	42,000.00	360,000.00	11.67%
8135 America 250	71,650.64	-	0.00%
8999 Cash Over/Short	(0.05)	-	0.00%
Total for 8109 Marketing	896,481.16	2,277,508.60	39.36%
Total for Expenses	1,796,908.22	5,039,276.55	35.66%
Net Operating Loss	(437,925.74)	-	
Other Income			
9100 Unrealized Gain/Loss on Investm	(8,649.52)	-	0.00%
9101 Investment Interest/Dividends	26,680.98	-	0.00%
9102 Realized Gain/Loss on Investments	1,428.73	-	0%
Total for Other Income	19,460.19	-	
Other Expenses			
9200 Investment Fees	3,455.98	-	0.00%
Total for Other Expenses	3,455.98	-	0.00%
Net Other Income	16,004.21	-	
Net loss	(421,921.53)	-	

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Balance Sheet
As of May 31, 2026

ASSETS	Total
Current Assets	
Bank Accounts	
1000 VRC Checking	477,320.60
1003 MSS Cash on Hand - Safe	5,942.00
1004 MSS Checking	336,403.26
1005 RCSC Checking	5,043.71
1006 City of Presidents Checking	96,437.74
1010 RC Sports Association Checking	23,999.12
1100 VRC Savings	256,328.65
1150 VRC Cash Drawer	500.00
Total Cash	1,201,975.08
1600 VRC FIWM Portfolio	1,656,975.44
1601 MSS FIWM Account	433,902.93
1651 MSS Endowments	222,659.15
Total Bank Accounts	3,515,512.60
Accounts Receivable	
1400 Accounts Receivable	306,530.00 *
Total Accounts Receivable	306,530.00
Other Current Assets	
1402 Discount on Pledges Receivable	(3,000.00)
1410 Intercompany Reveivable	75,211.90
1700 VRC Merchandise Inventory	18,787.40
1701 MSS Beverage Inventory	533.41
1703 MSS Merchandise Inventory	2,173.00
1800 MSS Prepaid Gift Cards	(15,431.31)
Total Other Current Assets	78,274.40
Total Current Assets	3,900,317.00
Fixed Assets	
1500 Furniture and Equipment	1,334,644.77 *
1501 Accumulated Depreciation	(978,130.71) *
1502 Leasehold Improvements	339,308.62 *
1504 Accumulated Amortization - Right of Use Asset	(71,244.00) *
1505 Buildings	349,129.61 *
1510 Lease Asset	178,246.80 *
Total Fixed Assets	1,151,955.09
TOTAL ASSETS	5,052,272.09

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Balance Sheet
As of May 31, 2026

	Total
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	31,120.58
Total Accounts Payable	31,120.58
Credit Cards	
2310 Divvy Credit Card	53,062.27
Total Credit Cards	53,062.27
Other Current Liabilities	
2400 Payroll Liabilities	3,194.76
Total 2400 Payroll Liabilities	3,194.76
2450 RC Sports Association	23,541.95
25500 VRC Sales Tax Payable	767.46
25501 MSS Sales Tax Payable	331.96
2560 Intercompany Payable	75,211.90
Total Other Current Liabilities	103,048.03
Total Current Liabilities	187,230.88
Long-Term Liabilities	
2555 Lease Liability	105,341.87 *
Total Long-Term Liabilities	105,341.87
Total Liabilities	292,572.75
Equity	
3200 Unrestricted Net Assets	3,798,618.40 *
3201 Restricted Net Assets	371,168.30 *
3202 Board Designated Net Assets	954,016.00 *
Net Loss	(364,103.36)
Total Equity	4,759,699.34
TOTAL LIABILITIES AND EQUITY	5,052,272.09

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City

Profit and Loss

May 2026

	<u>Total</u>
Income	
4000 Revenue	
4100 BBB-Sales Tax Receipts	129,342.48
4200 BID	194,469.66
4300 Marketing Serv Fees-Partnership	5,000.00
4400 Investments	443.28
4500 Miscellaneous Revenue	42.93
4600 Trolley Revenue	7,417.90
4605 Downtown Walking Tour	123.87
4610 Ice Skating	(63.25)
4620 Events	5,682.72
4700 Merchandise Revenue	4,830.23
4800 Grants and Donations	3,380.71
4811 America 250 - City of Rapid City	116,150.00
4820 Partners in Progress	2,520.00
4830 Sponsorship Income	12,000.00
Total 4000 Revenue	481,340.53
Total Income	481,340.53
Cost of Goods Sold	
50000 Cost of Goods Sold	
5700 Merchandise Cost of Goods Sold	1,160.65
Total 50000 Cost of Goods Sold	1,160.65
Total Cost of Goods Sold	1,160.65
Gross Profit	480,179.88
Expenses	
5000 Office/Administrative	
5210 Rent	9,349.77
5215 Storage	920.13
5220 Utilities	6,853.80
5230 Equipment Lease and Purchase	1,270.27
5240 Equipment Maintenance	2,950.89
5250 Insurance	10,797.88
5305 Office Supplies	1,608.84
5335 Auto Expense	440.63
5360 Service Charges/Bank Fees	2,000.23
5390 Membership Dues	593.69
5400 Professional Fees	20,400.33
Total 5000 Office/Administrative	57,186.46
5100 Employee Compensation & Benefit	
5150 Salaries	126,881.84
5175 Employee Benefits	9,402.22
5189 Payroll Taxes	9,560.35
5340 Training and Education	7,441.51
5350 Employee Relations	992.04
Total 5100 Employee Compensation & Benefits	154,277.96

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

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Visit Rapid City
Profit and Loss
May 2026

	Total
8100 Sales	
8101 Tradeshows	6,891.60
8102 FAMs/Site Visit	2,572.04
8105 CTA	303.95
8106 Servicing	2,009.54
8107 Sponsorships	6,417.64
Total 8100 Sales	18,194.77
8109 Marketing	
8110 Banners, Displays, Signage	828.98
8111 Print Advertising	1,120.00
8112 Broadcast	1,000.00
8113 Billboard/OOH	1,050.00
8114 Research/Planning	10,662.51
8115 Promo Items	4,606.56
8116 Digital	35,262.57
8117 Content Production	43,323.70
8118 Website	4,150.80
8120 Public Relations/Retainer/Agenc	27,162.51
8121 Community Relations	823.74
8124 Events	21,062.04
8125 Printing and Copying	1,982.46
8126 Postage/Info Distribution	4,314.40
8127 Subscriptions	3,095.51
8128 Staff Travel	5,517.10
8130 City Improvement Projects	23,848.25
8135 America 250	7,246.33
8999 Cash Over/Short	(0.16)
Total 8109 Marketing	197,057.30
Total Expenses	426,716.49
Net Operating Income	53,463.39
Other Income	
9100 Unrealized Gain/Loss on Investm	1,337.30
9101 Investment Interest/Dividends	4,770.23
Total Other Income	6,107.53
Other Expenses	
9200 Investment Fees	696.27
Total Other Expenses	696.27
Net Other Income	5,411.26
Net Income	58,874.65

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City

Statement of Revenue and Expenses, Budgetary Basis

May2026

	YTD Total		
	Actual	Budget	% of Budget
Income			
4000 Revenue			
4100 BBB-Sales Tax Receipts	330,153.75	1,638,854.00	20.15%
4200 BID	545,830.56	1,826,243.00	29.89%
4300 Marketing Serv Fees-Partnership	40,777.00	52,500.00	77.67%
4400 Investments	2,326.80	8,400.00	27.70%
4500 Miscellaneous Revenue	2,044.23	5,280.00	38.72%
4560 Sports Commission	50.00	-	0.00%
4610 Ice Skating	75,385.55	160,000.00	47.12%
4620 Events	28,746.56	126,000.00	22.81%
4810 SD Department of Tourism	250,000.00	250,000.00	100.00%
4600 Trolley Revenue	8,338.91	65,000.00	12.83%
4605 Downtown Walking Tour	123.87	-	0.00%
4700 Merchandise Revenue	4,861.31	25,000.00	19.45%
4800 Grants and Donations	101,130.71	537,000.00	18.83%
4811 America 250 - City of Rapid City	415,150.00	250,000.00	166.06%
4820 Partners in Progress	5,020.00	57,500.00	8.73%
4830 Sponsorship Income	28,500.00	62,500.00	45.60%
Total for 4000 Revenue	1,838,439.25	5,064,277.00	36.30%
Total for Income	1,838,439.25	5,064,277.00	36.30%
Cost of Goods Sold			
50000 Cost of Goods Sold			
5700 Merchandise Cost of Goods Sold	(723.11)	25,000.00	-2.89%
Total for 50000 Cost of Goods Sold	(723.11)	25,000.00	-2.89%
Total for Cost of Goods Sold	(723.11)	25,000.00	-2.89%
Gross Profit	1,839,162.36	5,039,277.00	36.50%
Expenses			
5000 Office/Adminstrative			
5210 Rent	33,655.06	63,271.91	53.19%
5211 Property Tax Expense	-	6,000.00	0.00%
5215 Storage	3,926.37	7,501.00	52.34%
5220 Utilities	25,030.38	71,870.00	34.83%
5230 Equipment Lease and Purchase	15,985.70	107,220.00	14.91%
5240 Equipment Maintenance	29,588.12	80,000.00	36.99%
5250 Insurance	71,698.88	65,000.00	110.31%
5305 Office Supplies	4,913.23	11,574.00	42.45%
5335 Auto Expense	4,303.66	28,504.00	15.10%
5360 Service Charges/Bank Fees	7,264.96	23,600.00	30.78%
5390 Membership Dues	31,838.58	35,555.03	89.55%
5400 Professional Fees	110,300.11	250,092.00	44.10%
5401 Professional Fees-Legal	2,623.69	-	0.00%
5402 Professional Fees-Accounting	64,941.59	-	0.00%
5600 Board - Travel and Expenses	92.17	4,500.00	2.05%
Total for 5000 Office/Adminstrative	406,162.50	754,687.94	53.82%
5150 Salaries	513,020.39	1,713,580.01	29.94%
5175 Employee Benefits	46,300.11	-	-
5189 Payroll Taxes	39,816.94	-	-
5340 Training and Education	20,639.90	35,900.00	57.49%
5350 Employee Relations	7,182.23	11,500.00	62.45%
Total for 5100 Employee Compensation & Benefits	626,959.57	1,760,980.01	35.60%

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
May2026

	YTD Total		
	Actual	Budget	% of Budget
8100 Sales			
8101 Tradeshows	19,507.91	20,000.00	97.54%
8102 FAMs/Site Visit	8,029.02	20,000.00	40.15%
8105 CTA	2,256.23	17,000.00	13.27%
8106 Servicing	3,781.24	12,500.00	30.25%
8107 Sponsorships/Partnerships	38,389.78	104,100.00	36.88%
8103 BID Fees/Business Development	25,000.00	72,500.00	34.48%
Total for 8100 Sales	96,964.18	246,100.00	39.40%
8109 Marketing			
8110 Banners, Displays, Signage	7,543.94	29,699.00	25.40%
8111 Print Advertising	68,519.60	80,338.00	85.29%
8112 Broadcast	13,809.18	19,500.00	70.82%
8113 Billboard/OOH	5,250.00	24,349.00	21.56%
8114 Research/Planning	69,445.82	100,855.48	68.86%
8115 Promo Items	22,077.05	43,498.00	50.75%
8116 Digital	344,297.20	768,270.00	44.81%
8117 Content Production	95,152.46	138,642.00	68.63%
8118 Website	20,623.64	74,361.00	27.73%
8120 Public Relations/Retainer/Agenc	58,552.91	172,000.00	34.04%
8124 Events	30,009.73	121,700.00	24.66%
8125 Printing and Copying	75,270.07	86,776.00	86.74%
8126 Postage/Info Distribution	24,535.61	31,344.00	78.28%
8127 Subscriptions	86,003.31	153,976.12	55.85%
8128 Staff Travel	27,935.67	72,200.00	38.69%
8130 City Improvement Projects	65,848.25	360,000.00	18.29%
8135 America 250	78,896.97	-	0.00%
8999 Cash Over/Short	(0.21)	-	0.00%
8121 Community Relations	823.74	-	0.00%
Total for 8109 Marketing	1,094,594.94	2,277,508.60	48.06%
Total for Expenses	2,224,681.19	5,039,276.55	44.15%
Net Operating Loss	(385,518.83)	-	
Other Income			
9100 Unrealized Gain/Loss on Investm	(7,312.22)	-	0.00%
9101 Investment Interest/Dividends	31,451.21	-	0.00%
9102 Realized Gain/Loss on Investments	1,428.73	-	0%
Total for Other Income	25,567.72	-	
Other Expenses			
9200 Investment Fees	4,152.25	-	0.00%
Total for Other Expenses	4,152.25	-	0.00%
Net Other Income	21,415.47	-	
Net loss	(364,103.36)	-	

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Balance Sheet
As of June 30, 2026

ASSETS	Total
Current Assets	
Bank Accounts	
1000 VRC Checking	335,814.47
1003 MSS Cash on Hand - Safe	6,842.00
1004 MSS Checking	234,300.02
1005 RCSC Checking	5,043.71
1006 City of Presidents Checking	75,437.74
1010 RC Sports Association Checking	24,000.17
1100 VRC Savings	256,751.14
1150 VRC Cash Drawer	500.00
Total Cash	938,689.25
1600 VRC FIWM Portfolio	1,660,091.12
1601 MSS FIWM Account	436,698.31
1651 MSS Endowments	222,659.15
Total Bank Accounts	3,258,137.83
Accounts Receivable	
1400 Accounts Receivable	265,310.00 *
Total Accounts Receivable	265,310.00
Other Current Assets	
1402 Discount on Pledges Receivable	(3,000.00) *
1410 Intercompany Reveivable	75,211.90 *
1700 VRC Merchandise Inventory	22,432.40
1701 MSS Beverage Inventory	7,622.15
1703 MSS Merchandise Inventory	2,173.00
1800 MSS Prepaid Gift Cards	(15,867.31)
Total Other Current Assets	88,572.14
Total Current Assets	3,612,019.97
Fixed Assets	
1500 Furniture and Equipment	1,334,644.77 *
1501 Accumulated Depreciation	(978,130.71) *
1502 Leasehold Improvements	339,308.62 *
1504 Accumulated Amortization - Right of Use Asset	(71,244.00) *
1505 Buildings	349,129.61 *
1510 Lease Asset	178,246.80 *
Total Fixed Assets	1,151,955.09
TOTAL ASSETS	4,763,975.06

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Balance Sheet
As of June 30, 2026

	Total
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	138,497.93
Total Accounts Payable	138,497.93
Credit Cards	
2310 Divvy Credit Card	46,642.22
Total Credit Cards	46,642.22
Other Current Liabilities	
2400 Payroll Liabilities	4,155.23
Total 2400 Payroll Liabilities	4,155.23
2450 RC Sports Association	23,543.00
25500 VRC Sales Tax Payable	1,324.85
25501 MSS Sales Tax Payable	610.36
2560 Intercompany Payable	75,211.90 *
Total Other Current Liabilities	104,845.34
Total Current Liabilities	289,985.49
Long-Term Liabilities	
2555 Lease Liability	105,341.87 *
Total Long-Term Liabilities	105,341.87
Total Liabilities	395,327.36
Equity	
3200 Unrestricted Net Assets	3,678,618.40 *
3201 Restricted Net Assets	491,168.30 *
3202 Board Designated Net Assets	954,016.00 *
Net Loss	(755,155.00)
Total Equity	4,368,647.70
TOTAL LIABILITIES AND EQUITY	4,763,975.06

No CPA Provides Any Assurance on These Statements
Substantially All Disclosures Have Been Omitted
*This balance has not been updated for activity in this period.

Visit Rapid City

Profit and Loss

June 2026

	Total
Income	
4000 Revenue	
4100 BBB-Sales Tax Receipts	112,570.22
4400 Investments	480.41
4600 Trolley Revenue	10,357.99
4605 Downtown Walking Tour	749.05
4610 Ice Skating	(267.54)
4620 Events	7,848.25
4700 Merchandise Revenue	5,143.19
4800 Grants and Donations	3,408.44
4811 America 250 - City of Rapid City	20,500.00
4830 Sponsorship Income	8,428.57
Total 4000 Revenue	169,218.58
Total Income	169,218.58
Cost of Goods Sold	
50000 Cost of Goods Sold	
5700 Merchandise Cost of Goods Sold	5,570.09
Total 50000 Cost of Goods Sold	5,570.09
Total Cost of Goods Sold	5,570.09
Gross Profit	163,648.49
Expenses	
5000 Office/Administrative	
5210 Rent	2,749.79
5215 Storage	730.70
5220 Utilities	5,564.75
5230 Equipment Lease and Purchase	956.88
5240 Equipment Maintenance	16,048.99
5305 Office Supplies	661.96
5335 Auto Expense	4,357.19
5360 Service Charges/Bank Fees	901.73
5390 Membership Dues	5,266.50
5400 Professional Fees	16,339.37
5401 Professional Fees-Legal	2,255.73
5402 Professional Fees-Accounting	31,296.21
Total 5000 Office/Administrative	87,129.80
5100 Employee Compensation & Benefit	
5150 Salaries	120,266.83
5175 Employee Benefits	10,615.10
5189 Payroll Taxes	9,091.98
5340 Training and Education	190.40
5350 Employee Relations	942.85
Total 5100 Employee Compensation & Benefits	141,107.16

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City

Profit and Loss

June 2026

	<u>Total</u>
8100 Sales	
8102 FAMs/Site Visit	1,338.28
8103 BID Fees/Business Development	100.94
8105 CTA	6,868.95
8106 Servicing	3,533.44
8107 Sponsorships/Partnerships	4,794.90
Total 8100 Sales	16,636.51
8109 Marketing	
8110 Banners, Displays, Signage	1,297.76
8111 Print Advertising	5,823.71
8112 Broadcast	(90.91)
8113 Billboard/OOH	1,050.00
8114 Research/Planning	3,912.51
8115 Promo Items	1,363.46
8116 Digital	51,864.18
8117 Content Production	956.80
8118 Website	23,652.81
8120 Public Relations/Retainer/Agenc	6,812.41
8124 Events	14,802.12
8125 Printing and Copying	1,740.73
8126 Postage/Info Distribution	6,457.47
8127 Subscriptions	3,401.79
8128 Staff Travel	773.09
8135 America 250	106,217.81
Total 8109 Marketing	230,035.74
Total Expenses	474,909.21
Net Operating loss	(311,260.72)
Other Income	
9100 Unrealized Gain/Loss on Investm	(4,784.49)
9101 Investment Interest/Dividends	11,393.59
Total Other Income	6,609.10
Other Expenses	
9200 Investment Fees	698.04
Total Other Expenses	698.04
Net Other Income	5,911.06
Net Loss	(305,349.66)

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City

Statement of Revenue and Expenses, Budgetary Basis

June 2026

	YTD Total		
	Actual	Budget	% of Budget
Income			
4000 Revenue			
4100 BBB-Sales Tax Receipts	442,723.97	1,638,854.00	27.01%
4200 BID	545,830.56	1,826,243.00	29.89%
4300 Marketing Serv Fees-Partnership	40,750.00	52,500.00	77.62%
4400 Investments	2,807.21	8,400.00	33.42%
4500 Miscellaneous Revenue	2,163.63	5,280.00	40.98%
4610 Ice Skating	74,618.01	160,000.00	46.64%
4620 Events	33,544.81	126,000.00	26.62%
4810 SD Department of Tourism	250,000.00	250,000.00	100.00%
4600 Trolley Revenue	20,068.31	65,000.00	30.87%
4605 Downtown Walking Tour	892.92	-	0.00%
4700 Merchandise Revenue	10,278.01	25,000.00	41.11%
4800 Grants and Donations	104,539.15	537,000.00	19.47%
4811 America 250 - City of Rapid City	435,650.00	250,000.00	174.26%
4820 Partners in Progress	5,020.00	57,500.00	8.73%
4830 Sponsorship Income	36,928.57	62,500.00	59.09%
Total for 4000 Revenue	2,005,815.15	5,064,277.00	39.61%
Total for Income	2,005,815.15	5,064,277.00	39.61%
Cost of Goods Sold			
50000 Cost of Goods Sold			
5700 Merchandise Cost of Goods Sold	4,846.98	25,000.00	19.39%
Total for 50000 Cost of Goods Sold	4,846.98	25,000.00	19.39%
Total for Cost of Goods Sold	4,846.98	25,000.00	19.39%
Gross Profit	2,000,968.17	5,039,277.00	39.71%
Expenses			
5000 Office/Adminstrative			
5210 Rent	43,004.85	63,271.91	67.97%
5211 Property Tax Expense	-	6,000.00	0.00%
5215 Storage	4,657.07	7,501.00	62.09%
5220 Utilities	30,595.13	71,870.00	42.57%
5230 Equipment Lease and Purchase	16,942.58	107,220.00	15.80%
5240 Equipment Maintenance	45,144.29	80,000.00	56.43%
5250 Insurance	71,698.88	65,000.00	110.31%
5305 Office Supplies	5,575.19	11,574.00	48.17%
5335 Auto Expense	8,660.85	28,504.00	30.38%
5360 Service Charges/Bank Fees	8,153.15	23,600.00	34.55%
5390 Membership Dues	37,105.08	35,555.03	104.36%
5400 Professional Fees	126,639.48	250,092.00	50.64%
5401 Professional Fees-Legal	4,879.42	-	0.00%
5402 Professional Fees-Accounting	96,237.80	-	0.00%
5600 Board - Travel and Expenses	92.17	4,500.00	2.05%
Total for 5000 Office/Adminstrative	499,385.94	754,687.94	66.17%
5150 Salaries	633,287.22	1,713,580.01	36.96%
5175 Employee Benefits	56,915.21	-	-
5189 Payroll Taxes	48,908.92	-	-
5340 Training and Education	20,754.38	35,900.00	57.81%
5350 Employee Relations	8,201.00	11,500.00	71.31%
Total for 5100 Employee Compensation & Benefits	768,066.73	1,760,980.01	43.62%

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

Visit Rapid City
Statement of Revenue and Expenses, Budgetary Basis
June 2026

	YTD Total		
	Actual	Budget	% of Budget
8100 Sales			
8101 Tradeshows	19,507.91	20,000.00	97.54%
8102 FAMs/Site Visit	9,367.30	20,000.00	46.84%
8105 CTA	9,125.18	17,000.00	53.68%
8106 Servicing	7,314.68	12,500.00	58.52%
8107 Sponsorships/Partnerships	43,804.68	104,100.00	42.08%
8103 BID Fees/Business Development	26,324.94	72,500.00	36.31%
Total for 8100 Sales	115,444.69	246,100.00	46.91%
8109 Marketing			
8110 Banners, Displays, Signage	9,089.06	29,699.00	30.60%
8111 Print Advertising	74,343.31	80,338.00	92.54%
8112 Broadcast	15,536.45	19,500.00	79.67%
8113 Billboard/OOH	6,300.00	24,349.00	25.87%
8114 Research/Planning	73,358.33	100,855.48	72.74%
8115 Promo Items	23,440.51	43,498.00	53.89%
8116 Digital	416,094.96	768,270.00	54.16%
8117 Content Production	96,109.26	138,642.00	69.32%
8118 Website	44,276.45	74,361.00	59.54%
8120 Public Relations/Retainer/Agenc	65,523.06	172,000.00	38.09%
8124 Events	44,811.85	121,700.00	36.82%
8125 Printing and Copying	78,404.14	86,776.00	90.35%
8126 Postage/Info Distribution	31,444.52	31,344.00	100.32%
8127 Subscriptions	89,405.10	153,976.12	58.06%
8128 Staff Travel	28,708.76	72,200.00	39.76%
8130 City Improvement Projects	65,848.25	360,000.00	18.29%
8135 America 250	237,131.91	-	0.00%
8999 Cash Over/Short	(0.21)	-	0.00%
8121 Community Relations	666.00	-	0.00%
Total for 8109 Marketing	1,400,491.71	2,277,508.60	61.49%
Square Fees	60.63	-	0.00%
Total for Expenses	2,783,449.70	5,039,276.55	55.24%
Net Operating Loss	(782,481.53)	-	
Other Income			
9100 Unrealized Gain/Loss on Investm	(12,096.71)	-	0.00%
9101 Investment Interest/Dividends	42,844.80	-	0.00%
9102 Realized Gain/Loss on Investments	1,428.73	-	0%
Total for Other Income	32,176.82	-	
Other Expenses			
9200 Investment Fees	4,850.29	-	0.00%
Total for Other Expenses	4,850.29	-	0.00%
Net Other Income	27,326.53	-	
Net loss	(755,155.00)	-	

No CPA Provides Any Assurance on These Statements

Substantially All Disclosures Have Been Omitted

*This balance has not been updated for activity in this period.

August 4, 2026

Board of Directors of Visit Rapid City
Rapid City, South Dakota

We have audited the basic financial statements of Visit Rapid City, Rapid City Sports Commission, Main Street Square, and City of Presidents (collectively, the Organization) as of and for the year ended, and have issued our report thereon dated August 4, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit

As communicated in our engagement letter dated May 28, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

Significant Risks Identified

We have identified the following significant risks:

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of Visit Rapid City may have the ability to override controls that Visit Rapid City has implemented. Management may override Visit Rapid City's controls in order to modify the financial records with the intent of manipulating the basic financial statements to overstate Visit Rapid City's financial performance or with the intent of concealing fraudulent transactions.
- Revenue Recognition – We identified revenue recognition as a significant risk due to financial and operational incentives for Visit Rapid City to overstate revenues.

Qualitative Aspects of Visit Rapid City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the basic financial statements. As described in Note 1 to the financial statements, during the year, the entity adopted Accounting Standards Update (ASU) 2025-25 *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses in Accounts Receivable and Contract Assets* that allows the consideration of collection activity after the balance sheet date when estimating expected credit losses. The adoption of this ASU did not have a significant impact on the reported balances. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the allocation of costs to program and management and general in the statement of functional expenses. Management's estimate is based on an estimate of total staff time and effort benefiting each activity. We evaluated the factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting The Organization's basic financial statements relate to the significant accounting policies.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated August 4, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters except for Casey Peterson, who performs bookkeeping and tax services.

Other Significant Matters, Findings or Issues

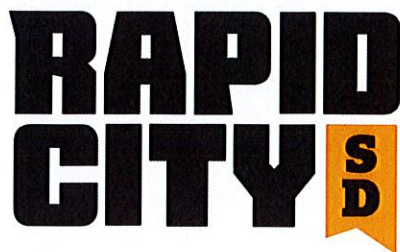
In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Porter, Muirhead, Cornia & Howard".

Porter, Muirhead, Cornia & Howard
Certified Public Accountants



Visit Rapid City

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605-718-8484 | 800-487-3223

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August 4, 2026

Porter, Muirhead, Cornia, & Howard, CPAs

P.O. Box 2750

Casper, Wyoming 82602

Dear Porter, Muirhead, Cornia & Howard:

This representation letter is provided in connection with your audit of the financial statements of Visit Rapid City, Rapid City Sports Commission, Main Street Square, and City of Presidents (collectively, the Organization), which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

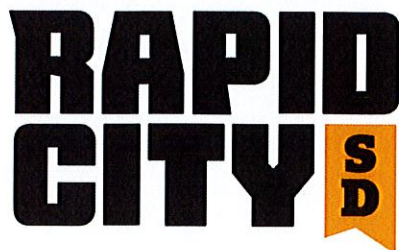
Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Except where otherwise stated below, immaterial matters less than \$50,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 4, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 28, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control to prevent and detect fraud.



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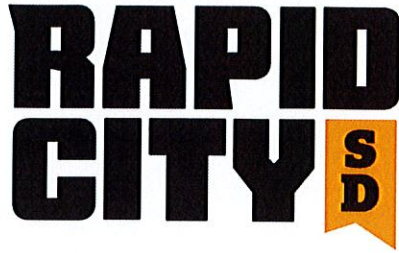
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- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims, if any, have been accounted for and disclosed in accordance with U.S. GAAP.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statements all assets and liabilities under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Reclassifications between net asset classes are proper.
- The governing board's interpretations concerning whether laws place restrictions on net appreciation of donor-restricted endowments are reasonable and have been disclosed to you.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.



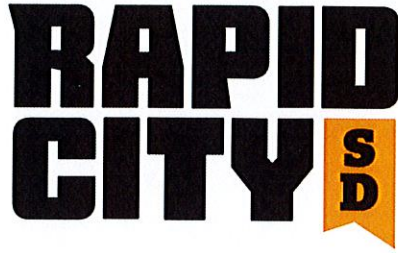
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- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have evaluated the entity's ability to meet its obligations as they become due, and have not identified any conditions or events, individually or in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by personnel, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
- Visit Rapid City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets; nor has any asset been pledged as collateral.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
- Visit Rapid City is an exempt organization under Section 501(c)(6) of the Internal Revenue Code. Rapid City Sports Commission, Main Street Square, Inc. and City of Presidents are classified by the IRS as tax-exempt under Section 501(c)3. Any activities of which we are aware that would jeopardize the entity's tax exempt status, have been disclosed to you. All required filings with tax authorities are up-to-date.



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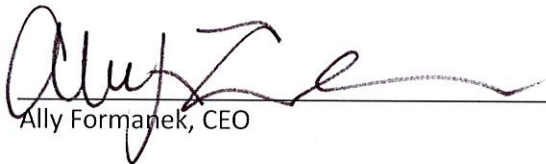
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Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the combining statement of financial position and combining statement of activities (supplementary information) accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.


Ally Formanek, CEO

8/4/2024

**Visit Rapid City
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December 31, 2025 and 2024**

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FINANCIAL STATEMENTS

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

	<u>2025</u>	<u>2024</u>
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	<u>224,016</u>	<u>196,818</u>
TOTAL ASSETS	<u><u>\$ 5,477,990</u></u>	<u><u>\$ 5,364,374</u></u>
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	<u>16,167</u>	<u>20,881</u>
Total Liabilities	<u>325,284</u>	<u>190,945</u>
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	<u>3,707,521</u>	<u>3,993,054</u>
Total Net Assets	<u>5,152,706</u>	<u>5,173,429</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,477,990</u></u>	<u><u>\$ 5,364,374</u></u>

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

	<u>2025</u>	<u>2024</u>
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)
	<u>3,946,026</u>	<u>3,940,304</u>
Program Revenues	357,665	335,993
Less Cost of Goods Sold	<u>(21,485)</u>	<u>(16,551)</u>
Net Program Revenues	<u>336,180</u>	<u>319,442</u>
Total Support, Gains, and Other Revenues	4,282,206	4,259,746
Net Assets Released from Restrictions	<u>420,505</u>	<u>536,050</u>
Total Support, Gains, and Other Revenues Without Donor Restrictions	<u>4,702,711</u>	<u>4,795,796</u>
Expenses:		
Program Expenses	4,194,112	4,082,491
Management and General	<u>648,817</u>	<u>635,475</u>
Total Expenses	<u>4,842,929</u>	<u>4,717,966</u>
Change in Net Assets Without Donor Restrictions	<u>(140,218)</u>	<u>77,830</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	540,000	458,000
Net Assets Released from Restrictions	<u>(420,505)</u>	<u>(536,050)</u>
Change in Net Assets With Donor Restrictions	<u>119,495</u>	<u>(78,050)</u>
TOTAL CHANGE IN NET ASSETS	(20,723)	(220)
NET ASSETS - BEGINNING	<u>5,173,429</u>	<u>5,173,649</u>
NET ASSETS - ENDING	<u>\$ 5,152,706</u>	<u>\$ 5,173,429</u>

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)
	<u>\$ 4,194,112</u>	<u>\$ 648,817</u>	<u>\$ 4,842,929</u>

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)
	<u>\$ 4,082,491</u>	<u>\$ 635,475</u>	<u>\$ 4,717,966</u>

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

	<u>2025</u>	<u>2024</u>
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	<u>2,220</u>	<u>765</u>
Net Cash Provided by Operating Activities	<u>323,179</u>	<u>75,426</u>
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	<u>-</u>	<u>222,314</u>
Net Cash Used in Investing Activities	<u>(161,852)</u>	<u>(793,221)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Leases	<u>(71,619)</u>	<u>(69,874)</u>
NET INCREASE (DECREASE) IN CASH	89,708	(787,669)
CASH - BEGINNING	<u>1,208,649</u>	<u>1,996,318</u>
CASH - ENDING	<u>\$ 1,298,357</u>	<u>\$ 1,208,649</u>

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

	<u>2025</u>	<u>2024</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Right-of-use Assets Obtained in Exchange for Lease Liabilities:		
Operating Leases	\$ 84,486	\$ 75,273
Finance Leases	<u>\$ 3,633</u>	<u>\$ 24,205</u>
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	<u>\$ 1,611</u>	<u>\$ 997</u>
Financing Cash Flows from Finance Leases	<u>\$ 8,348</u>	<u>\$ 4,686</u>
Interest Paid	<u>\$ 1,611</u>	<u>\$ 997</u>

The accompanying notes are an integral part of this statement.

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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.

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

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.

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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.

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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:

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

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.

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 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.

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

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.

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

NOTE 2 - PROMISES TO GIVE

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

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

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:

	<u>2025</u>	<u>2024</u>
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	<u>224,016</u>	<u>196,818</u>
	<u>\$ 4,176,615</u>	<u>\$ 3,907,046</u>

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.

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

NOTE 5 - PROPERTY AND EQUIPMENT

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

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

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:

	<u>2025</u>		<u>2024</u>	
	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
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

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

NOTE 6 - LEASES (CONTINUED)

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

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

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:

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

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.

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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
	<u>\$ 1,309,439</u>	<u>\$ 758,668</u>	<u>\$ 224,016</u>	<u>\$ 2,292,123</u>
	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	
	<u>\$ 1,987,743</u>	<u>\$ 196,818</u>	<u>\$ 2,184,561</u>	

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

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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

Visit Rapid City
Notes to the Financial Statements
December 31, 2025 and 2024

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:

	<u>2025</u>	<u>2024</u>
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	<u>-</u>	<u>28,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 491,169</u>	<u>\$ 253,557</u>

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:

	<u>2025</u>	<u>2024</u>
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	<u>10,245</u>	<u>27,143</u>
	<u>\$ 420,505</u>	<u>\$ 536,050</u>

Visit Rapid City

Notes to the Financial Statements

December 31, 2025 and 2024

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 Allowance 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	<u>\$ 3,586,228</u>	<u>\$ 143,066</u>	<u>\$ 1,769,114</u>	<u>\$ 118,117</u>	<u>\$ (138,535)</u>	<u>\$ 5,477,990</u>
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	<u>275,679</u>	<u>12,288</u>	<u>175,852</u>	<u>-</u>	<u>(138,535)</u>	<u>325,284</u>
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	<u>3,310,549</u>	<u>130,778</u>	<u>1,593,262</u>	<u>118,117</u>	<u>-</u>	<u>5,152,706</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,586,228</u>	<u>\$ 143,066</u>	<u>\$ 1,769,114</u>	<u>\$ 118,117</u>	<u>\$ (138,535)</u>	<u>\$ 5,477,990</u>

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)	-
	<u>3,303,905</u>	<u>621,647</u>	<u>610,254</u>	<u>118,136</u>	<u>(707,916)</u>	<u>3,946,026</u>
Program Revenues	71,440	8,831	277,394	-	-	357,665
Less Cost of Goods Sold	(8,934)	-	(12,551)	-	-	(21,485)
Net Program Revenues	<u>62,506</u>	<u>8,831</u>	<u>264,843</u>	<u>-</u>	<u>-</u>	<u>336,180</u>
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	<u>250,000</u>	<u>46,000</u>	<u>124,505</u>	<u>-</u>	<u>-</u>	<u>420,505</u>
Total Support, Gains, and Other Revenues Without Donor Restrictions	<u>3,616,411</u>	<u>676,478</u>	<u>999,602</u>	<u>118,136</u>	<u>(707,916)</u>	<u>4,702,711</u>
Expenses:						
Program Expenses	3,367,378	654,453	880,197	-	(707,916)	4,194,112
Management and General	<u>374,767</u>	<u>77,588</u>	<u>196,443</u>	<u>19</u>	<u>-</u>	<u>648,817</u>
Total Expenses	<u>3,742,145</u>	<u>732,041</u>	<u>1,076,640</u>	<u>19</u>	<u>(707,916)</u>	<u>4,842,929</u>
Change in Net Assets Without Donor Restrictions	<u>(125,734)</u>	<u>(55,563)</u>	<u>(77,038)</u>	<u>118,117</u>	<u>-</u>	<u>(140,218)</u>
NET ASSETS WITH DONOR RESTRICTIONS						
Contributions	250,000	-	290,000	-	-	540,000
Net Assets Released from Restrictions	<u>(250,000)</u>	<u>(46,000)</u>	<u>(124,505)</u>	<u>-</u>	<u>-</u>	<u>(420,505)</u>
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>(46,000)</u>	<u>165,495</u>	<u>-</u>	<u>-</u>	<u>119,495</u>
TOTAL CHANGE IN NET ASSETS	<u>(125,734)</u>	<u>(101,563)</u>	<u>88,457</u>	<u>118,117</u>	<u>-</u>	<u>(20,723)</u>
NET ASSETS - BEGINNING	<u>3,436,283</u>	<u>232,341</u>	<u>1,504,805</u>	<u>-</u>	<u>-</u>	<u>5,173,429</u>
NET ASSETS - ENDING	<u>\$ 3,310,549</u>	<u>\$ 130,778</u>	<u>\$ 1,593,262</u>	<u>\$ 118,117</u>	<u>\$ -</u>	<u>\$ 5,152,706</u>

See independent auditor's report.

2027 SOUTH DAKOTA LEGISLATIVE SESSION

BUSINESS IMPROVEMENT DISTRICT



WHAT THE BILL IS ABOUT

Many communities across South Dakota utilize a Business Improvement District (BID) to support the tourism industry. This legislation would allow BID Boards, in cooperation with local DMOs/CVBs, hotel partners, and municipal governments, an opportunity to generate more revenue to promote tourism.

WHAT THE BILL WOULD DO

Under the current law (SDCL 9-55-7) hotels within a BID can charge up to \$2/room/night on rented hotel rooms (known as an occupational tax). This legislation would increase the maximum amount allowed up to \$4 or 4%.

WHY CHANGE?



LOCAL CONTROL

Allows communities which are ready to make a change the opportunity to grow their financial base. Each community makes its own decision when and if they are ready to increase the fee,



EQUITY

\$2 (or \$3 or \$4) on a \$75 room is much different than the same fee on a \$200 room. Moving to a percentage promotes fair and equitable taxation.



INVESTMENT

Each dollar raised goes back into the tourism industry to attract more visitors.

WHO SUPPORTS?

South Dakota Municipal League
South Dakota Hotel & Lodging Association
Destination Marketing Professionals of SD
Tourism Coalition of South Dakota
Visit Rapid City
Rapid City Hotel BID Board
Experience Sioux Falls
Sioux Falls BID Board

Deadwood Chamber of Commerce &
Visitors Bureau
Deadwood BID #7 and BID #8
LIV Hospitality
Regency Hotel Management
Custer Hospitality
Custer BID
Hot Springs BID

The Mammoth Site
Venerts Hotel Management
Box Elder BID
Ramkota Companies

Questions? Contact Carmen Schramm - Tourism Coalition of South Dakota at carmen@tourismcoalitionsd.com



Tourism Coalition of
South Dakota 2nd Annual

TEE OFF FOR TOURISM



Hillsvew
Golf Course
4201 SD Hwy 34
Pierre, SD

Golf Tournament Fundraiser

Thursday, September 17, 2026

9:00am Registration 10:30am Shotgun Start
6:00pm Awards & Silent Auction

Golf Registration

- \$500 per 4-person team
- \$125 for individual golfers (will assign a team)
- Registration includes: green fees, golf cart, practice balls, 1 beverage ticket & meal. Scramble format/two putt rule. (Prizes awarded to first & second place & pin prizes on each hole.)

Sponsorship Opportunities

- \$2,500 *Main Attraction Sponsor* (**SOLD OUT**)
- \$1,200 *Passport Sponsor* (Includes 2 golfers, name/logo on signage)
- \$750 *Bucket List Sponsor* (Limit 2 - 1 golfer, signage on beverage tickets/cart)
- \$500 *Road Trip Sponsor* (**SOLD OUT - Putting Contest**)
- \$250 *Destination Sponsor* (Limit 18 - Name/Logo on hole tee box - sponsors asked to provide a hole prize)

Games Of Chance & Other Prizes

- Mulligans 2/\$20
- Prize for Best Dressed Patriotic Team!
- 50/50 Raffle - \$5 per chance
- Putting Contest 3 putts/\$5



Go on-line or register with
QR code for teams, sponsorship
& additional games

@tourismcoalitionsd.com

