

STAMFORD DOWNTOWN

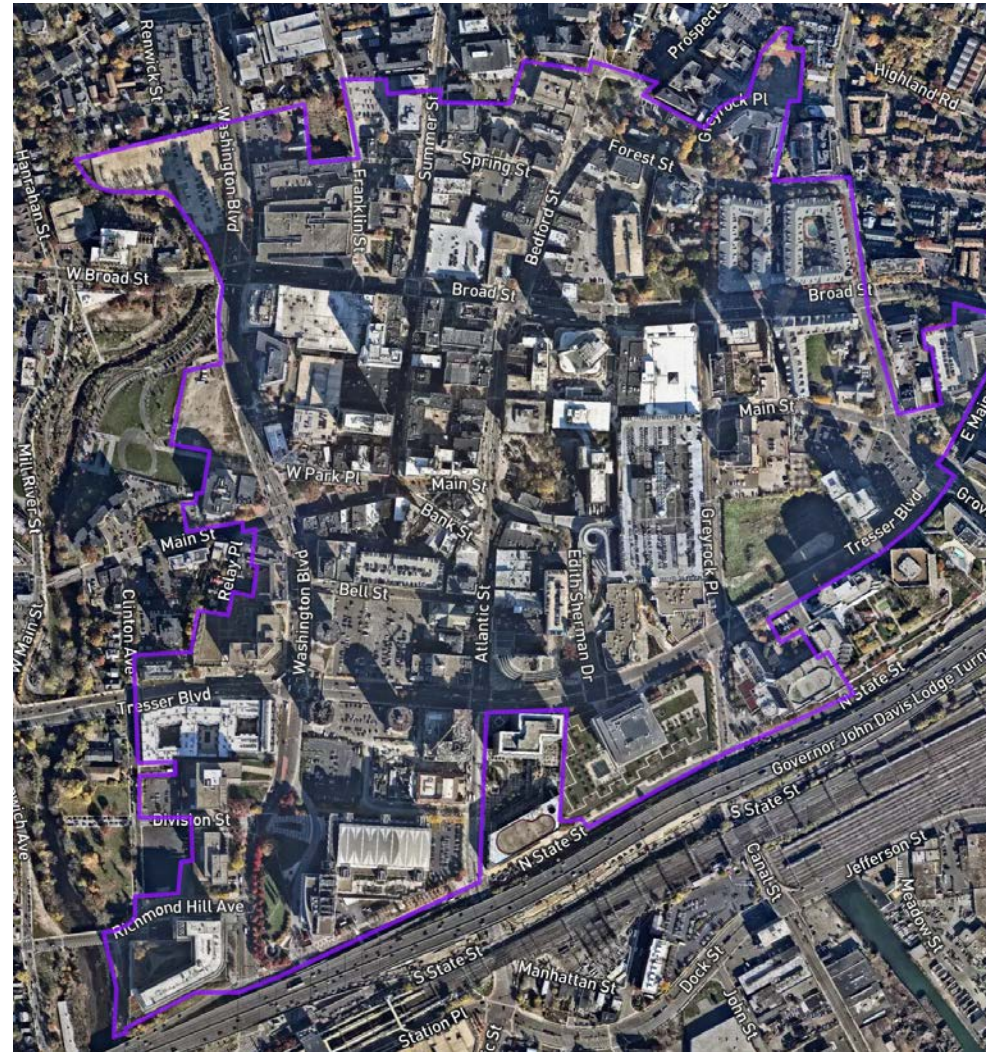


What's Happening
in Stamford Downtown



Stamford Downtown is a Special Services District established in 1992 to supplement the city's efforts in the urban core for sanitation, landscaping, placemaking, activation, and marketing with the following goals:

- To ensure the appropriate economic development as it impacts Stamford Downtown through comprehensive strategic urban planning and advocacy
- To continue the trend of residential population growth within the District
- To recruit and retain appropriate retailers
- To improve the quality of the Downtown experience
- To attract people to the Downtown





Stamford Downtown is funded from four important revenue sources:

~58% from Special Assessments (taxes paid to the District IN ADDITION to taxes paid to City)

~28% from contributions

~10% from event revenue

<4% from the City of Stamford

(Revenue Breakdown for FY22)

The city's requested contribution of \$190,000 is dedicated to two important public benefits:

PUBLIC REALM MAINTENANCE AND BEAUTIFICATION PROGRAM

Stamford Downtown team supplements (and sometimes supplants) city services through a wide range of activities including:

- Daily streetscape and curbside cleaning
- Shoveling snow from sidewalks, curb cuts, fire hydrants, and bus shelters
- Sanitizing crosswalk push buttons, bus shelters, and regular touch-points
- Social service outreach to unhoused population
- Design, planting, and maintenance of 215 hanging baskets and 40 ground planters
- Painting of fire hydrants and light poles

The City's contribution covers less than 20% of the cost of these public benefits.

In addition to the above, Stamford Downtown at its sole expense:

- Installs holiday lighting on street trees and Columbus and Library Oaks
- Displays public art in temporary exhibits and permanent installations
- Designs, fabricates, and displays banners on light poles
- Invests in park improvements (2022 Kiwanis Park redesign)



Public Community Events

Stamford Downtown activates our streets and public spaces with a series of events that are open to the public free of charge and enjoyed by a broad cross section of our community including:

- The Downtown Farmers Market every Saturday from June to October accepting WIC and SNAP
- The Balloon Parade Spectacular drawing 75-90k visitors to our city
- Heights + Lights has been featured on a live national broadcast highlighting our city
- Arts + Crafts on Bedford supports our city's role in arts and culture
- Latham Yoga, Zumba, Afrobeat, Bollywood, and other exercise classes

The city's contribution covers less than 10% of the cost of these public programs and activities



Looking forward to 2023

We do not anticipate any significant staffing changes, operational challenges, or program reductions as we enter FY23 and continue to position Stamford Downtown for post-COVID success.

Since 1992, Stamford Downtown has invested in the core of our city at a ratio of over \$21 to every \$1 of direct city support. Further, we pay approximately \$75,000 for permits and city services each year, reinvesting the equivalent of 40% of the city's contribution back to the city.

We look forward to continuing to partner with the city to leverage our investment in the Downtown to bring tens of millions of property tax revenue from our District to the general fund.



Stamford Downtown Special Services District

Operating Budget Funding Request
Fiscal Year 2022/2023

2022/2023 Operating Budget
Total Request \$190,000

The DSSD respectfully requests financial support from the city to contribute partial funding for the following programs in Fiscal Year 2022/2023:

Public Realm Environmental Maintenance
\$145,000

Public Community Events
\$45,000

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Stamford Downtown Special Services District

Operating Budget Funding Request
Fiscal Year 2022/2023

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

Mission Statement

The Following Vision, Mission, and Goals comprise the equivalent of the Mission Statement for Stamford Downtown:

Vision

The Vision for Stamford Downtown is to always be the vibrant regional city-center for living, working, shopping, dining, education, culture, and entertainment.

Mission

The Downtown Special Services District manages, enhances and promotes the Downtown experience.

Goals

To attain the Vision the following goals have been set:

- To ensure the appropriate economic development as it impacts Stamford Downtown through comprehensive strategic urban planning and advocacy
- To continue the trend of residential population growth within the District
- To recruit and retain appropriate retailers
- To improve the quality of the Downtown experience
- To attract people to the Downtown

Program Description

The Stamford Downtown Special Services District (Stamford Downtown) respectfully requests \$190,000 in Fiscal Year 2023 City of Stamford Operating Budget funds to support two core elements of Stamford Downtown's Mission including the organization's Public Realm Maintenance and Beautification Program (\$145,000) and Public Community Events (\$45,000). These two programs are described further below.

Public Realm Maintenance and Beautification Programs

In its role as a Business Improvement District, Stamford Downtown's fundamental role is to supplement municipal services to ensure Stamford's urban core is an attractive, welcoming setting for all stakeholders including residents (many of whom spend a majority of their time in their home neighborhood working remotely), workers (despite the pandemic, tens of thousand of workers commute to Downtown each day in both the office and service sectors), visitors, and prospective investors and future tenants. Stamford Downtown's extensive *Public Realm Maintenance and Beautification Programs* and diverse array of public event offerings supply the safe, clean, and welcoming environment that enables individuals to congregate in Downtown's public spaces, walk along Downtown's sidewalks and patronize Downtown restaurants and ground floor spaces. As we establish the *new normal* resulting from the multi-year COVID-19 pandemic, we know all too well that in-person economic and social activity needs to be cultivated and won't necessarily naturally happen on its own.

Stamford Downtown Special Services District

Operating Budget Funding Request Fiscal Year 2022/2023

Begun in 1994, Stamford Downtown's *Public Realm Maintenance and Beautification Programs* are comprised of several facets. Those that the city would otherwise have to complete and towards which this budget request would contribute are as follows:

- Daily curbside cleaning,
- Regular removal of remnants of discarded gum,
- Quarterly powerwashing of sidewalk,
- Pretreating sidewalks, plowing a clear ADA-width foot path, and shoveling curb cuts linking sidewalks to crosswalks during inclement, winter weather,
- Sanitizing of all crosswalk push buttons, bus shelters, and other regular touch-points,
- Documentation of public realm maintenance needs and liaisioning with city departments and utilities to ensure timely repair,
- Outreach by a dedicated social service professional to homeless individuals or those individuals diagnosed with mental health or addiction challenges to connect them with services,
- Design, planting (replaced seasonally), and year-round maintenance of fourteen landscape areas all within the city right-of-way,
- Planting, deployment, and maintenance of 215 hanging baskets during warm weather months, and
- Planting (replaced seasonally) and year-round maintenance of more than 40 ground planters

In total, Stamford Downtown's environmental team adds 365 hours/week of public realm maintenance and social service outreach in addition to the city's baseline operations.

With the extensive cost associated with these programs that would otherwise have to be provided by the City, Stamford Downtown works hard to raise private funds and reasonable special assessment revenue to limit the city's contribution in support of these public services; this fiscal year's budget request would constitute less than 20% of the cost of these public benefits.

In addition to those elements, Stamford Downtown further supplements city services by providing the following at it's sole expense:

- Holiday lighting of street trees throughout the Downtown including the Instagram-worthy Columbus Park Oak and Ferguson Library Oak,
- Displaying public art in both temporary exhibits and permanent installations,
- Designing, fabricating, and displaying banners on light poles announcing activities within the Downtown, and
- Enhancing public spaces through physical improvements – in early 2022, Stamford Downtown will invest its own resources into a significant makeover of Kiwanis Park with the design for new seating, lighting, and public art having been approved by the Parks Commission.

Stamford Downtown Special Services District

Operating Budget Funding Request Fiscal Year 2022/2023

Public Community Events

Stamford Downtown's free community events are recognized throughout the City of Stamford and surrounding region for their elite production quality and value as evidenced by their ability to draw attendees and visitors to the City extensively from throughout Fairfield and Westchester Counties and additionally from New York City, Long Island, and across Connecticut. Stamford Downtown will utilize a portion of the City of Stamford's FY23 Operating budget allocation to support the production of free programmatic offerings including the *Downtown Farmers Market*, *Arts + Craft on Bedford*, the *Annual Balloon Parade Spectacular*, *Heights + Lights*, and robust exercise programs in Latham Park.

The economic and communal benefits of these events are clear.

The *Downtown Farmers Market* takes place on Spring Street on each Saturday during June – October and offers a variety of locally grown fruits, vegetables and flowers as well as breads, jams, baked goods and cheeses. WIC and SNAP benefits are accepted at the farmers markets in a reimbursement program for the vendors managed by Stamford Downtown, and this has proven to be an effective mechanism to provide food-insecure households with healthy and fresh choices.

In the three years prior to the COVID outbreak, between 75,000 and 90,000 people attended each *Balloon Parade Spectacular* drawing from an inter-state region stretching over 30 miles. Visitors spend an average of 2.5 hours Downtown, spending money in our local shops and small businesses.

In 2021, *Heights + Lights*, which includes Santa rappelling from One Landmark Square and the lighting of the Holiday Tree at Latham Park, drew more than 6,500 individuals during a single evening. This crowd was representative of the city's socio-economic, racial, and geographic composition demonstrating the value to our whole community.

Arts + Crafts on Bedford has emerged as regional magnet and helps to position the neighborhood in the arts and cultural tourism niche that is so important to attracting visitation and underpinning economic development. During the pandemic, the event has evolved from a single weekend, to multiple single-day occurrences expanding the tourism and spending impact to the community's businesses.

In Latham Park, Stamford Downtown offers a range of exercise programs including Yoga, Zumba, Afrobeat, Bollywood, and others. During COVID, these free outdoor classes were an incredibly valuable asset to members of our community of all ages and incomes in need of opportunities to get out of the house in a safe social environment.

With the extensive cost associated with these programs, Stamford Downtown works hard to raise private funds and reasonable special assessment revenue to limit the city's contribution in support of these events and activities that underpin tourism to our city and provide significant indirect benefits to our small businesses; assuming a full parade in 2022, this fiscal year's budget request would constitute less than 10% of the cost of producing and managing these events.

Stamford Downtown Special Services District

Operating Budget Funding Request
Fiscal Year 2022/2023

Financial Impact

Stamford Downtown continues to work closely with multiple city departments and consistently identify necessary activities which are not adequately covered by existing city operations and ways in which we can further supplement city efforts, adding value to the Downtown, and benefiting the city as a whole. The City's investment in Stamford Downtown's *Public Realm Maintenance and Beautification Programs* and *Public Community Events* is justified by Stamford Downtown's track record as a steward of public resources.

The results of this multi-decade partnership are clear. Over the course of the past 30 years, Stamford Downtown property owners have paid over \$41.0 million in special assessments and Stamford Downtown non-city and private supporters have nearly doubled that number by contributing an additional \$27.9 million to the organization's operations and activities. The City's investment in Stamford Downtown operations are leveraged many-fold to achieve greater results for the public.

- 30 year total spent by Stamford Downtown = \$72.25 million
- 30 year total direct investment by City in our efforts = \$3.390 million. The city's contribution is only 4.7% of the funds Stamford Downtown has poured into our effort to revitalize this neighborhood, bringing our city successfully into the 21st century.
- That translates into \$21.31 in results for every \$1.00 the City of Stamford invested in Stamford Downtown since 1992!

The City's investment in Stamford Downtown fosters an environment that generates significant tax revenue to support other city services and community needs.

- Comprising less than 1% of the city's land area, private properties within the District generate 9.77% of the City's real property Grand List
- Stamford Downtown's budget includes the payment for city services through permits and public safety (fire marshalls, EMS, and police at events installations within the public realm) that total in excess of \$75,000 each fiscal year
- The quantitative and qualitative benefits to the community are achieved by leveraging a public investment in the organization through the city's budgeted contribution that constitutes approximately 1/3rd of 1.0% (0.33%) of the revenue the city collects through property taxes from properties within the Special Services District

Stamford Downtown Special Services District

Operating Budget Funding Request Fiscal Year 2022/2023

Fiscal Year 2020/2021 Operating Results

Unaudited financial statements from the last fiscal year (FY21) can be found below as Exhibit A.

Fiscal Year 2021/2022 Operating Budget and Forecast

The organization's Balance Sheet and Profit & Loss Budget vs. Actual through December 31, 2021 can be found below as Exhibit B.

We have forecast that the COVID-driven change in Parade plans coupled with suppressed concert attendance during the early Delta-variant surge will result in a fiscal year-end operating deficit of approximately \$350,000. If COVID has taught us anything, we know that it remains very difficult to forecast for event-oriented and public-facing organizations and so this deficit projection will undoubtedly evolve over the remainder of the fiscal year.

Fiscal Year 2022/2023 Proposed Operating Budget

The 2022/2023 Operating Budget has not yet been created; however, in many ways, this will be second unique budget year in a row. Based on the best available information at this time, we do expect to be able to go back to a full complement of programs next fiscal year including the concerts, the parade, and all other activities. Last year's FY21 budget, representing the first full COVID year, saw an approximately 25% reduction from the year prior. This year's FY22 budget was slated to return to pre-COVID levels but will end up somewhere between 10% and 20% below pre-COVID levels, exacerbated by the projected deficit described above. While next year's FY23 budget will not likely return to its pre-COVID level, as we continue to re-introduce events and add new programs to support the post-COVID revitalization of the Downtown, we expect to continue to approach pre-COVID levels as we have incrementally done so this year. It is important to note, however, that the majority of the city-supported activities have continued given that the maintenance of the public realm was more – not less – necessary throughout the pandemic and so the overall budget of the organization is not an effective metric against which the city's contribution should be measured.

Audited Financial Statement

The results of the 2019/2020 Audit can be found below as Exhibit C. The 2020/2021 Audit is being completed simultaneous to the compilation and submission of this request. We anticipate that a draft version will be available by February 2022 and that or a subsequent final document will be forwarded to the City prior to the budget being taken up by the elected boards.

Stamford Downtown Special Services District

Operating Budget Funding Request
Fiscal Year 2022/2023

Exhibit A
Fiscal Year 2020/2021 Operating Results

&

Exhibit B
**Fiscal Year 2021/2022 Operating Budget and
Forecast**

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT
CITY BUDGET REQUEST
7/1/21-6/30/22

| | ANNUAL OPERATING RESULTS 7/1/20-6/30/21 | ANNUAL BUDGET 7/1/20-6/30/21 | CURRENT YR YTD 6 MONTHS OPERATING RESULTS 7/1/21-12/31/22 | 12 MONTHS ANNUAL BUDGET 7/1/21-6/30/22 |
|---|--|------------------------------------|---|---|
| REVENUES-OPERATING | | | | |
| Assessment Income | 2,702,619 | 2,722,947 | 1,424,815 | 2,858,362 |
| Contingency for Uncollectibles | - | (176,992) | - | (171,502) |
| Interest Income | 4,151 | 12,500 | 7,014 | 12,500 |
| TOTAL Assessment Income | 2,706,771 | 2,558,455 | 1,431,829 | 2,699,360 |
| Contributions | | | | |
| Events-(Fall,Winter,Summer,Bedford Street)) | 276,743 | 632,500 | 968,516 | 1,997,000 |
| Office | 120,000 | 120,000 | 60,000 | 120,000 |
| District Directory | - | 25,000 | - | - |
| Annual Meeting | 10,000 | 25,000 | - | 25,000 |
| State/City Grants | 10,100 | 15,000 | 10,000 | 10,000 |
| Security | 105,000 | 105,000 | 115,000 | 115,000 |
| TOTAL Contributions | 521,843 | 922,500 | 1,153,516 | 2,267,000 |
| TOTAL REVENUE | 3,228,613 | 3,480,955 | 2,585,345 | 4,966,360 |
| EXPENSES | | | | |
| ADMINISTRATION | | | | |
| Personnel & Employee Payroll Taxes | 404,435 | 419,122 | 182,057 | 441,966 |
| Employee Benefits-(Health Ins./Workers Comp.) | 93,647 | 106,637 | 45,975 | 102,608 |
| Retirement Plan Benefit | 57,962 | 38,928 | 66,962 | 49,120 |
| Office Space | 120,012 | 120,012 | 60,006 | 120,012 |
| Insurance-(Director's/General Liab.) | 42,590 | 66,647 | 172 | 69,769 |
| Meeting Exp./Conf./Subscript. | 8,902 | 10,000 | 7,256 | 14,500 |
| Tel./Off. Supplies/Equip. Exp./Postage | 31,529 | 40,500 | 19,257 | 38,000 |
| Professional Fees | 77,801 | 85,030 | 33,472 | 88,000 |
| Annual Meeting/Annual Report | 6,500 | 35,000 | - | 33,500 |
| Various Admin. Misc./Depreciation | 2,878 | 5,000 | 3,380 | 5,000 |
| TOTAL ADMINISTRATION | 846,256 | 926,876 | 418,538 | 962,475 |
| ENVIRONMENT-OPERATIONS | | | | |
| Administration/Streetscape/Operations | 364,590 | 369,665 | 161,623 | 455,232 |
| Design Review /Banners | 2,198 | 2,500 | - | 500 |
| Cleaning/Security | 411,302 | 425,000 | 214,031 | 460,000 |
| Snow Removal | 31,515 | 15,000 | - | 20,000 |
| Outdoor Holiday Lights | 155,800 | 165,000 | 116,850 | 155,800 |
| TOTAL ENVIRONMENT | 965,405 | 977,165 | 492,504 | 1,091,532 |
| MARKETING/PROMOTIONS/SPECIAL EVENTS | | | | |
| Special Events -Admin. | 332,907 | 355,410 | 195,935 | 371,788 |
| Holiday Events-(Parade/Tree Lighting) | 71,433 | 415,000 | 120,332 | 415,000 |
| Summer Events-(Sculp./Alive/POPS/Bedford St.) | 80,998 | 126,000 | 1,418,255 | 1,500,000 |
| Fall Events-Crafts | 10,999 | 30,000 | 3,601 | 20,000 |
| Farmers Market | 3,658 | 6,000 | 2,813 | 5,000 |
| Seasonal Initiatives/District Directory | 65,055 | 100,000 | 22,682 | 75,000 |
| Marketing | 33,416 | 89,500 | 21,216 | 69,000 |
| Progressive Dinner | - | - | - | 185,000 |
| TOTAL MARKETING/PROMO/SPECIAL EVENTS | 598,465 | 1,121,910 | 1,784,833 | 2,640,788 |
| RETAIL DEPARTMENT | | | | |
| Retail Administration | 167,785 | 177,227 | 81,509 | 180,257 |
| ECONOMIC DEVELOPMENT | | | | |
| Consultants/new Initiatives | 246,135 | 275,000 | 17,370 | 75,000 |
| TOTAL OPERATING EXPENSES | 2,824,046 | 3,478,178 | 2,794,754 | 4,950,052 |
| RETAIL GRANTS | 8,500 | 10,000 | - | 15,000 |
| Net Income | 396,068 | (7,223) | (209,409) | 1,308 |

Stamford Downtown Special Services District

Operating Budget Funding Request
Fiscal Year 2022/2023

Exhibit C

Audited Financial Statement

**STAMFORD DOWNTOWN
SPECIAL SERVICES DISTRICT**

Financial Statements

Years Ended June 30, 2020 and 2019

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

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Schedules of Event Expenditures Schedule 2

Independent Auditor's Report

The Board of Commissioners
Stamford Downtown Special Services District
Stamford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Stamford Downtown Special Services District which comprise the balance sheets as of June 30, 2020 and 2019 and the related statements of revenues, expenditures and changes in fund balances - actual and budget for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stamford Downtown Special Services District as of June 30, 2020 and 2019, and the results of its operations and the changes in its fund balances for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules for the years ended June 30, 2020 and 2019, as indicated in the contents to the financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cirone Friedberg, LLP

Shelton, Connecticut
March 31, 2021

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

BALANCE SHEETS
JUNE 30, 2020 AND 2019

| ASSETS | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| Cash | \$ 758,362 | \$ 880,988 |
| Cash Available in STIF Account | <u>544,242</u> | <u>658,949</u> |
| Total Cash | 1,302,604 | 1,539,937 |
| Receivable - Property Taxes | 98,125 | 76,579 |
| Receivable - Sponsorships and Other | 6,934 | 70,919 |
| Prepaid Expenses | 76,468 | 591,946 |
| Agency Assets | <u>44,703</u> | <u>133,261</u> |
| Total Assets | <u>\$ 1,528,834</u> | <u>\$ 2,412,642</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | |
| <u>Liabilities</u> | | |
| Accounts Payable and Accrued Expenses | \$ 95,539 | \$ 191,915 |
| Refundable Advances on Grants | - | 136,665 |
| Agency Liabilities | <u>44,703</u> | <u>133,261</u> |
| Total Liabilities | <u>140,242</u> | <u>461,841</u> |
| <u>Deferred Inflows of Resources</u> | | |
| Unearned Revenues | 82,444 | 266,502 |
| Unavailable Revenues | <u>98,125</u> | <u>76,579</u> |
| Total Deferred Inflows of Resources | <u>180,569</u> | <u>343,081</u> |
| <u>Fund Balance</u> | | |
| Fund Balance - Available for Operations | <u>1,208,023</u> | <u>1,607,721</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 1,528,834</u> | <u>\$ 2,412,643</u> |

See notes to financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET
YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | | | 2019 | | |
|---|---------------------|------------------|------------------|---------------------|------------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Revenues | | | | | | |
| Taxation | \$ 2,619,437 | \$ 2,602,380 | \$ 17,057 | \$ 2,445,344 | \$ 2,396,919 | \$ 48,425 |
| Sponsorships, Grants and Events: | | | | | | |
| Local Business and Individuals | 1,676,890 | 1,913,050 | (236,160) | 1,635,335 | 1,692,500 | (57,165) |
| State of Connecticut, CT Next and City of Stamford Grants | 3,500 | 10,000 | (6,500) | 95,250 | 50,000 | 45,250 |
| | <u>1,680,390</u> | <u>1,923,050</u> | <u>(242,660)</u> | <u>1,730,585</u> | <u>1,742,500</u> | <u>(11,915)</u> |
| Security Program - City | 105,000 | 85,000 | 20,000 | 85,000 | 85,000 | - |
| City Beautification Program - City | 35,000 | 35,000 | - | 35,529 | 30,000 | 5,529 |
| Interest | 16,935 | 15,000 | 1,935 | 29,991 | 12,000 | 17,991 |
| In-kind Contributions: | | | | | | |
| Rent | 120,000 | 120,000 | - | 120,000 | 120,000 | - |
| Services | 120,000 | - | 120,000 | 100,000 | - | 100,000 |
| Total In-kind | <u>240,000</u> | <u>120,000</u> | <u>120,000</u> | <u>220,000</u> | <u>120,000</u> | <u>100,000</u> |
| Other | 39,651 | 12,000 | 27,651 | 17,699 | 500 | 17,199 |
| Total Revenues | <u>4,736,413</u> | <u>4,792,430</u> | <u>(56,017)</u> | <u>4,564,148</u> | <u>4,386,919</u> | <u>177,229</u> |
| Expenditures | | | | | | |
| Administrative | 1,396,507 | 1,080,198 | 316,309 | 1,050,428 | 1,050,411 | 17 |
| Environmental Improvements, Service Management and Security Program | 921,107 | 938,650 | (17,543) | 888,076 | 835,129 | 52,947 |
| Events | 2,379,176 | 2,401,071 | (21,895) | 2,104,807 | 2,176,907 | (72,100) |
| Retail Administration, Recruitment and Economic Development | 178,191 | 186,301 | (8,110) | 185,700 | 174,460 | 11,240 |
| New Initiatives | 21,130 | 4,200 | 16,930 | 48,903 | 30,000 | 18,903 |
| Total Expenditures Before In-kind | <u>4,896,111</u> | <u>4,610,420</u> | <u>285,691</u> | <u>4,277,914</u> | <u>4,266,907</u> | <u>11,007</u> |
| In-kind: | | | | | | |
| Rent | 120,000 | 120,012 | (12) | 120,000 | 120,012 | (12) |
| Services | 120,000 | - | 120,000 | 100,000 | - | 100,000 |
| Total In-kind | <u>240,000</u> | <u>120,012</u> | <u>119,988</u> | <u>220,000</u> | <u>120,012</u> | <u>99,988</u> |
| Total Expenditures | <u>5,136,111</u> | <u>4,730,432</u> | <u>405,679</u> | <u>4,497,914</u> | <u>4,386,919</u> | <u>110,995</u> |
| (Deficiency) Excess of Revenues Over Expenditures | (399,698) | \$ 61,998 | \$ (461,696) | 66,234 | \$ - | \$ 66,234 |
| Fund Balance - Available for Operations - Beginning of Year | 1,607,721 | | | 1,541,487 | | |
| Fund Balance - Available for Operations - End of Year | \$ 1,208,023 | | | \$ 1,607,721 | | |

See notes to financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF OPERATIONS

The Stamford Downtown Special Services District (District) was established in 1991 by a majority vote of the designated property owners as a Special Services District under an applicable City of Stamford Ordinance enacted pursuant to Chapter 105a of the Connecticut General Statutes. The purpose of the statute is to enable property owners a mechanism which provides coordinated promotion, enhancement and economic growth for the downtown Stamford retail and general business environment. Property owners elect a Board of Commissioners who prepare a program of work aimed at achieving the collective goals and shared vision of the downtown property owners.

Active operations commenced in 1992 with the imposition of the initial special levy upon the assessed valuation of real property within the District by the City of Stamford (City).

Revenues of the District consist of property taxes, interest on past due taxes, grants, contributions, and sponsorships. The contributions are qualified contributions in accordance with Section 170(c)(1) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the modified accrual basis of accounting using accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to quasi-governmental units. Under this method of accounting, revenues are recognized in the period in which they are susceptible to accrual, i.e., become measurable and available. The District considers as measurable and available those revenues billed or collected prior to the current year-end or collected subsequent to year-end within sufficient time to finance current operations. Revenues not considered measurable and available are reflected as deferred inflows of resources - either unearned revenue - events, or unavailable revenue - property taxes. Expenditures applicable to future events are reflected as prepaid expenses and are reflected in the period in which the liability is incurred.

For events that span the year end, the District has allocated sponsorship income and related event expenses between the years based either upon the number of events to be held or the time period of the event.

District Budget and Tax Levy

On or before June 30 of each year, the District's Board of Commissioners:

- (i) Adopts an annual budget and files the budget with the Director of Administration of the City. The annual budget may be amended as provided in the bylaws of the District. Amended budgets must be filed with the Director of Administration within fifteen (15) days of adoption.
- (ii) Recommends to the Board of Representatives of the City a tax levy for the District to be imposed in addition to the City's regular property tax levy.

It is the obligation of the City to impose and collect this additional levy for the benefit of the District.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Accounting Standard

Effective July 1, 2019, the District adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2014-09: *Revenue from Contracts with Customers* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs related to Topic 606 replaced most existing revenue recognition guidance in U.S. GAAP. Topic 606 also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services.

The District adopted Topic 606 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch up adjustment recognized upon adoption. As such, comparative information in the District's financial statements has not been restated and continues to be reported under the accounting standards in effect for that period. Management's analysis of various provisions of Topic 606 resulted in no significant changes in the way the District recognizes revenue, and therefore, there was no cumulative adjustment for the year ended June 30, 2019. The presentation and disclosures of revenue have been enhanced in accordance with Topic 606.

Revenue Recognition - Property Taxes

The District's property tax is levied each July 1 on the assessed value listed as of the preceding October 1 as determined by the City. Real property taxes are due and payable in two installments, July 1 and January 1. Delinquent taxes are levied by the City each year prior to May 31. The City collects property taxes assessed on behalf of the District.

Property tax is recorded when its measurable and collectible.

Events

The District records revenues from events at a point in time, when the events occur.

Receivables

Receivables are periodically evaluated for collectability based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectability. In the opinion of management, all accounts for which the collectability is doubtful have been written off and the remaining accounts are deemed to be collectible, or reflected within deferred inflows of resources.

Marketing and Advertising Expenses

The District expenses marketing and advertising expenses in the period of benefit. Any amounts paid and not recognized as expense are reflected in the accompanying financial statements as prepaid expenses.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment

The District's policy is to expense during the year the cost of computers and other office equipment items purchased.

Refundable Advances on Grants and Sponsorships Received in Advance

Refundable advances on grants consists of payments received on grants in excess of expenditures incurred.

For events that span the year end, the District has allocated sponsorship revenue and related event expenses between the years based either upon the number of events to be held or the time period of the event. Revenues applicable to the succeeding year are reflected as refundable advances and expenses related to events to take place in the succeeding year are reflected as prepaid expenses.

Contributed Services and Facility

Goods and services have been provided by various organizations and a number of unpaid volunteers have contributed their time to the District. Contributions are recognized if the goods or services received either (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

During the years ended June 30, 2020 and 2019, various City departments, including police, fire and sanitation, and local businesses and community volunteers contributed goods and services to the District which have been reflected as an in-kind contribution and a corresponding in-kind services expense in the estimated amounts of \$120,000 and \$100,000 for the years ended June 30, 2020 and 2019, respectively.

Additionally, the District leases its office space at a value which is deemed by the landlord to be a below market-value lease and has reflected an in-kind contribution and a corresponding in-kind rent expense amounting to \$120,000 for each of the years ended June 30, 2020 and 2019, for the difference between a market-value lease and the rental amount.

Income Taxes

The District is a Special Services District pursuant to Chapter 105a of the Connecticut General Statutes and, accordingly, is not subject to federal and state income taxes.

Compensated Absences

Employees are entitled to paid vacations and sick days depending on job classification, length of service and other factors. The District's policy does not provide for a carryover from one year to the next of unused vacation days, and unused vacation days are not compensated. Unused sick days are not allowed to be carried over after the end of the year nor will an employee be paid for any accrued unused sick time upon separation from employment.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP applicable to quasi-governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 31, 2021, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

NOTE 3 - CONCENTRATION OF RISK

Cash

The District maintains all cash accounts at one community bank. The cash accounts are insured up to \$250,000 per bank, by the Federal Deposit Insurance Corporation. At times during the year, the cash balances in the accounts may have exceeded the insured limits. The Company believes it is not exposed to any significant credit risk on cash.

Revenue and Receivables

Revenues and any related receivables are primarily derived from the tax assessments and event sponsorships received from the businesses within the District and from cash and in-kind support from the City.

NOTE 4 - CASH AVAILABLE IN STIF ACCOUNT

Cash available in the State of Connecticut Short-Term Investment Fund (STIF) account at June 30, 2020 and 2019, was comprised of taxes collected by the City on behalf of the District, but not yet remitted to the District. These funds, and interest earned thereon, are held by the City in the name of the District in the general fund in a special account for the benefit of the District. Funds in the STIF account are transferred to the District's operating bank account upon written request by the District to the City.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 - PREPAID EXPENSES, REVENUES AND UNAVAILABLE REVENUES

Prepaid expenses, unearned revenues and unavailable revenues at June 30 were as follows:

| | <u>2020</u> | | <u>2019</u> | |
|----------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| | <u>Prepaid Expenses</u> | <u>Unearned Revenues</u> | <u>Prepaid Expenses</u> | <u>Unearned Revenues</u> |
| Insurance | \$ 30,639 | \$ - | \$ 62,107 | \$ - |
| Farmers Market | - | - | 1,890 | 4,675 |
| Alive @ Five | - | - | 175,333 | 95,299 |
| Sculpture Exhibit | 8,175 | 32,444 | 96,466 | 108,176 |
| Arts and Crafts Show | - | - | 2,275 | 19,482 |
| Jazz-Wednesday Night | - | - | 102,594 | 18,070 |
| Grants - Portal | - | - | 142,083 | - |
| Holiday Parade 19/20 | - | 50,000 | - | 20,000 |
| Bark in the Park | - | - | 1,013 | 800 |
| Grand Summer Night | - | - | 4,852 | - |
| Miscellaneous | <u>37,654</u> | <u>-</u> | <u>3,333</u> | <u>-</u> |
| Total | <u>\$ 76,468</u> | <u>\$ 82,444</u> | <u>\$ 591,946</u> | <u>\$ 266,502</u> |

| | <u>2020</u> | <u>2019</u> |
|-----------------------------|------------------|------------------|
| <u>Unavailable Revenues</u> | | |
| Property Taxes | <u>\$ 98,125</u> | <u>\$ 76,579</u> |

NOTE 6 - LIQUIDITY

The District regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2020 and 2019 the following financial assets are available to meet annual operating needs of the years 2021 and 2020, respectively:

| | <u>2020</u> | <u>2019</u> |
|---|-------------------------|-------------------------|
| Financial Assets at Year End: | | |
| Cash and Cash Equivalents | \$ 1,302,604 | \$ 1,539,937 |
| Receivable - Property Taxes | 98,125 | 76,579 |
| Receivable - Sponsorships and Other | <u>6,934</u> | <u>70,919</u> |
| Financial Assets Available to Meet General Expenditures over the Next Year | <u>\$ 1,407,663</u> | <u>\$ 1,687,435</u> |

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 7 - SECURITY PROGRAM AND CITY BEAUTIFICATION PROGRAM

The District's security program is a service to provide security patrols in the City's downtown business area. Funding for the security program is provided by the City and local businesses.

The District's city beautification program provides for the purchase and maintenance of various beautification items.

The District has a contract with a company to provide security services on behalf of the District. The contract was for an initial term of one year and expired in April 2019, at which time the contract was extended by written agreement through April 2020, with the same terms and conditions as the original contract. The contract may be extended for one additional term of one year upon written agreement of the parties. The fee for these services is based on the hourly billable rates for the employees of the contractor, not to exceed a maximum annual amount of \$400,000. Upon expiration in April 2020, the parties continued operating under the contract on a month to month basis for the months of May 2020 and June 2020. Payments to this contractor amounted to approximately \$392,600 and \$395,800 for the years ended June 30, 2020 and 2019, respectively. The parties renewed the agreement and amended the pricing for a period of one year beginning on July 1, 2020 through June 30, 2021. At the end of the initial term, the contract may be renewed each year with requested changes to contract submitted no later than April 30th of each year. The fee for these services is based on the hourly billable rates for the employees of the contractor, not to exceed a maximum annual amount of \$425,056.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The District sponsors an employee retirement plan, whereby discretionary contributions are made for eligible employees under a simplified employee pension (SEP) arrangement. Contributions for employees during the years ended June 30, 2020 and 2019 amounted to \$65,073 and \$56,267, respectively.

NOTE 9 - LEASED PREMISES

The District leases its office space on a month-to-month basis. The Chairman of the board is the VP of Operations of the company that owns this office space. The lease provides for a monthly rental of \$1. The District has reflected an in-kind contribution from the landlord and a corresponding in-kind rent expense of \$120,000 for each year. This lease may be terminated by either party with 30-day's notice.

NOTE 10 - AGENCY ASSETS AND LIABILITIES

The District acts as agent for downtown district restaurants in coordinating joint advertising and the Bedford Trash Co-op. The District collects fees for these services from the restaurants and makes disbursements to the vendors. Separate bank accounts are maintained for these agency arrangements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 - AGENCY ASSETS AND LIABILITIES (CONTINUED)

The balances in the accounts at June 30 were as follows:

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------------|
| Stamford 375 | \$ - | \$ 23,835 |
| Stamford Tables | 32,570 | 30,624 |
| Bedford Trash Co-op | 12,133 | 7,840 |
| CT Next, LLC - Stamford Veterans Park Partnership, Inc. | - | 4,940 |
| Stamford Innovations | - | 66,022 |
| Total | <u>\$ 44,703</u> | <u>\$ 133,261</u> |

NOTE 11 - REVENUES FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenue

For the years ended June 30, 2020 and 2019, revenue recognized for goods and services for Alive at Five, Wednesday Night Live, Grand Summer Night/Friends, Brews on Bedford/Winefest, Retail Pop Up and Crafts provided at a point in time, amounted to \$823,570 and \$778,266, respectively.

The District's revenues, results of operations, and cash flows are affected by a wide variety of factors, including general economic conditions, geographical regions of its customers, type of customer, type of contract, and contract duration.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Consulting

During the year ended June 30, 2019, the District entered into a consulting agreement for the period July 1, 2020 through December 31, 2020. The balance outstanding for the consulting services as of June 30, 2020 was \$221,375, which has been fully expended as of December 31, 2020. The expense incurred during the year ended June 30, 2020 is included in administrative expenses on the statements of revenues, expenditures and changes in fund balances.

COVID-19

The COVID-19 outbreak is disrupting supply chains and affecting production and revenues across a range of industries and not-for-profit organizations. The extent of the impact of COVID-19 on the operational and financial performance of the District will depend on certain developments, including the duration and spread of the outbreak, duration of limitations on capacity for indoor and outdoor events, impact on the District's clients, donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID 19 may impact the District's financial condition or operations is uncertain. Management plans on having all major events for the year ended June 30, 2021.

SCHEDULE 1

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**SCHEDULES OF SPONSORSHIPS, GRANTS AND EVENTS REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019**

| | <u>2020</u> | <u>2019</u> | <u>Variance</u> |
|--|---------------------|---------------------|--------------------|
| Holiday Parade/Tree Lighting | \$ 407,129 | \$ 386,770 | \$ 20,359 |
| Sculpture Exhibit | 146,094 | 185,620 | (39,526) |
| Alive @ Five | 619,839 | 602,845 | 16,994 |
| Annual Meeting | 9,855 | 71,908 | (62,053) |
| Wednesday Night Live | 175,436 | 210,888 | (35,452) |
| Brews on Bedford/WineFest | 2,688 | 29,853 | (27,165) |
| Other Sponsorships and Events | <u>315,849</u> | <u>147,451</u> | <u>168,398</u> |
| Local Business and Individuals | <u>1,676,890</u> | <u>1,635,335</u> | <u>41,555</u> |
| State Grant | - | 3,750 | (3,750) |
| City of Stamford Grant | - | 16,500 | (16,500) |
| CT Next Grant | - | 75,000 | (75,000) |
| Other Grants | <u>3,500</u> | <u>-</u> | <u>-</u> |
| State of Connecticut and City of Stamford Grants | <u>3,500</u> | <u>95,250</u> | <u>(95,250)</u> |
| Total | <u>\$ 1,680,390</u> | <u>\$ 1,730,585</u> | <u>\$ (53,695)</u> |

SCHEDULE 2

**SCHEDULES OF EVENT EXPENDITURES
YEARS ENDED JUNE 30, 2020 AND 2019**

| | <u>2020</u> | <u>2019</u> | <u>Variance</u> |
|------------------------------|---------------------|---------------------|-------------------|
| Holiday Parade/Tree Lighting | \$ 430,079 | \$ 382,854 | \$ 47,225 |
| Sculpture Exhibit | 124,000 | 174,503 | (50,503) |
| Alive @ Five | 812,562 | 634,187 | 178,375 |
| Wednesday Night Live | 396,273 | 355,396 | 40,877 |
| Brews on Bedford/WineFest | 4,221 | 17,034 | (12,813) |
| Other Events | <u>612,041</u> | <u>540,833</u> | <u>71,208</u> |
| Total | <u>\$ 2,379,176</u> | <u>\$ 2,104,807</u> | <u>\$ 274,369</u> |