

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

Independent Auditors' Report
Financial Statements
Supplementary Schedules

June 30, 2025 and 2024



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Stamford Downtown Special Services District

Opinion

We have audited the accompanying financial statements of Stamford Downtown Special Services District (the "District"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2025 the District adopted new accounting guidance, *Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 and budgetary comparison information on pages 18-19 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of event revenues and expenditures on page 17 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of event revenues and expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Whittlesey PC". The signature is written in black ink and is positioned above the typed text.

Hartford, Connecticut
February 16, 2026

Management's Discussion and Analysis
(Unaudited)

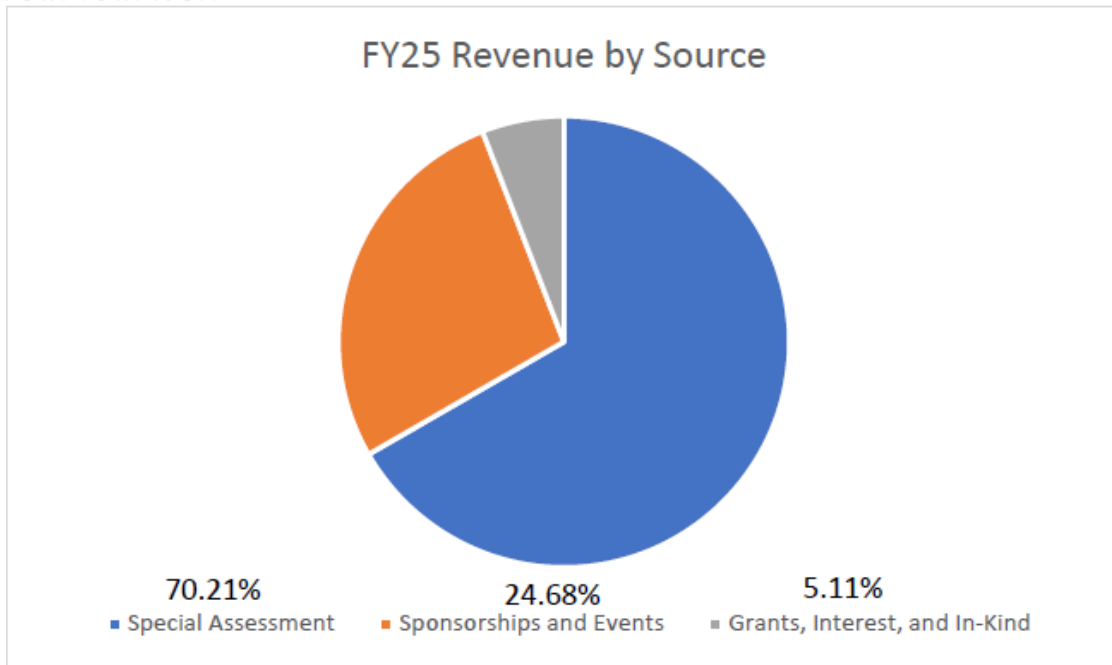
Stamford Downtown's fiscal performance in FY25 was consistent with years past where the organization typically ends the year with a modest surplus or a slight deficit. A significant portion of the organization's revenue and expenses as further described below are variable given that they relate to events which can be impacted by weather and attendance. Further, some of the organization's key expenses have been subject to inflationary pressures and structural increases in these pandemic and post-pandemic years.

The net difference in FY25 between operating revenues of \$4,633,806 and operating expenses of \$4,615,444 was \$18,362. This amount is less than 0.3% of total expenditures and continues to build a fund balance that is currently 40.00% of budget. This fiscal year surplus increased the organization's total equity at fiscal year-end to \$1,901,803. Cash and investments were held in two locations: First County Bank operating accounts and US Treasuries managed by First County Bank. Our budgeted annual tax assessment is now billed and collected in its entirety from the City of Stamford (the "City") semi-annually.

Stamford Downtown's revenue comes from two primary sources: tax revenue collected by the City as a supplemental assessment levied on the 516 private properties located within the Special Services District's (the District) boundaries; and sponsorships and event revenue provided to the District by companies looking to support the organization's activities or by participants in fee-based events. Stamford Downtown also receives a nominal amount of funding from the City in the form of a grant and interest on its cash.

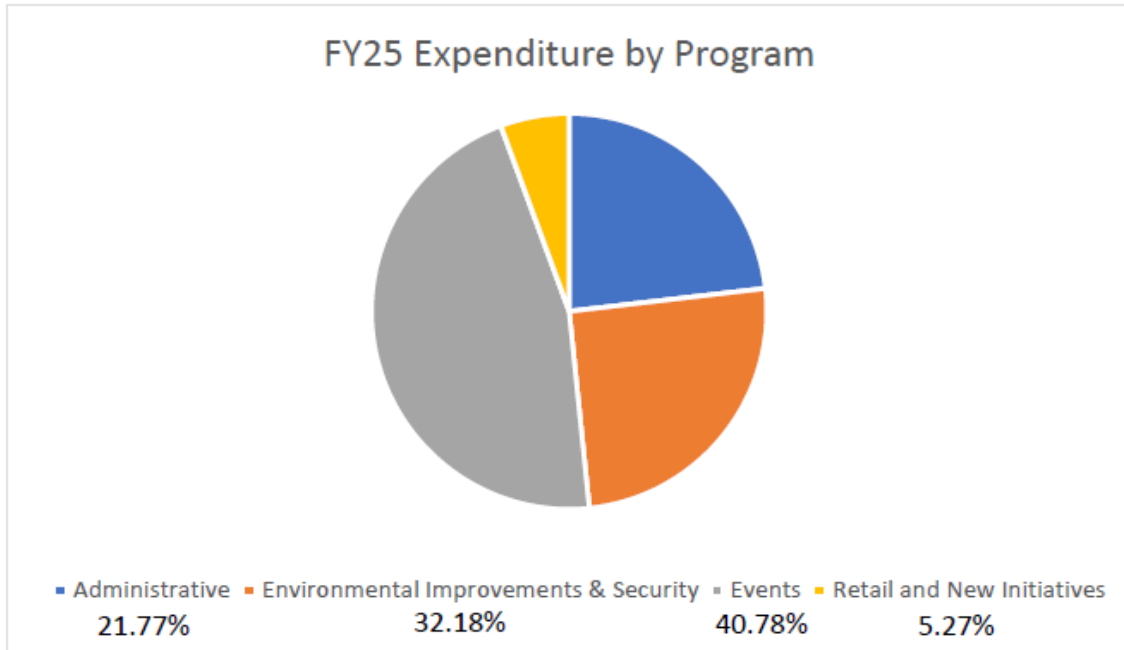
The assessment revenue is based on a combination of the District's grand list and its mill rate. Each year, the City Assessor provides the District with a total assessed value for the 516 private properties therein. Every May, the District's staff in consultation with its Board of Commissioners creates a budget for all its operations and projects revenue that it will raise from the variety of sources. To balance this budget, there is an anticipated revenue amount that will be raised through the property tax assessment. That assessment revenue amount dictates the mill rate that must be set as a multiplier of the cumulative property value assessments of the private properties in the District. That mill rate, per city ordinance, cannot be greater than 6% of the City's Mill Rate A which determines the taxes paid to the City by properties within the District and environs. Every June, the draft budget is sent to all property owners for comment and is voted on by the Board of Commissioners at its Annual Meeting held that month. In FY25, the assessment levy comprised 70.21% of District operating revenue.

The other primary category of District revenue, making up 24.68 % of District operating revenue in FY25, is sponsorships and event fees/tickets. Sponsorships are discretionary funds provided to the District in support of various activities by companies located in, owning assets in, or doing business in the Downtown. The largest target of sponsorship support is the Stamford Downtown Parade Spectacular held the Sunday before Thanksgiving and Balloon Inflation Party held the evening before the Parade. In total, these events draw 100,000 plus visitors to the District. Two other events also draw significant sponsorship revenue (Heights & Lights, and Art in Public Space) with smaller sponsorships garnered for other events (e.g. Bark in the Park). Finally, some events earn direct revenue from participants in the form of fees or tickets. For fees, farmers and crafters pay to set up booths at the Farmers Market and Arts and Crafts on Bedford in addition to vendors set up at other events. Tickets are purchased by attendees to Brews on Bedford and the Winefest. Note, Stamford Downtown chose to end its production of the Alive At Five Concert Series in FY25. Together, sponsorships, vendor fees, ticket sales, and drink sales make up much of the non-assessment revenue to the District. The remaining revenue sources are grants, interest, and in-kind contributions which together make up 5.11% of operating revenue.



Operating expenses are spread across the five core areas of Stamford Downtown’s activities: Administration; Operations, Public Realm Beautification; Marketing, Events, & Promotion; and Retail & Economic Development. Administration and contributed facilities made up 21.78% of District operating expenditures in FY25 and includes leadership and administrative staff salaries, health insurance and retirement contributions for all staff, Federal payroll and state unemployment taxes, insurance, rent, and basic office expenses (e.g. phones, copier, postage, annual meeting, etc.). Beyond Administration, Retail & Economic Development is the smallest program area making up 5.27% of operating expenditures in FY25. This area includes salaries and program expenses such as façade improvements, seasonal promotions (e.g. Deck the Downtown), and incentives (e.g. Downtown Card raffles). Operations, Daily Environmental Maintenance and Public Realm Beautification is the second largest area overall constituting 32.18% of operating expenditures in FY25. This area includes staff salaries, Environmental Maintenance and Hospitality Ambassador Services provided via a contract with Block by Block, landscaping services provided via a contract with Eastern Land Management, Holiday lighting provided via a contract with Christmas Lighting Company, and enhancements and activations within the District public parks. Stamford Downtown has also engaged DOMUS and Pacific House to assist with youth and homelessness outreach services, respectively. FY25 saw Stamford Downtown’s growing role with facilitating and supporting Complete Street initiatives in the District. The largest area this year was Marketing, Events, & Promotion making up 40.78% of District operating expenditures in FY25. This magnitude of expenditure is largely driven by the signature events with the Stamford Downtown Parade Spectacular, Heights & Lights, and Alive at Five constituting nearly 4/5 of this program area’s expenditures. The remaining program area expenses are salaries, smaller events (e.g. Arts and Crafts on Bedford), and marketing expenses such as the newsletter, the website, database management, the dining and shopping guide.

Stamford Downtown is the recipient of a \$5.6 million grant from the State of Connecticut's Urban Act Grant Program to undertake a series of infrastructure improvements near the intersection of Main and Atlantic Street and proximate to Stamford Town Center. FY25 is the first year of grant activity. Total expenditures were \$105,834. To adhere to and GAAP, Stamford Downtown will present this State award as a Grant in Non-Operating Income, and the expenses in Non-Operating Expense. Stamford Downtown has created a *below-the-line format* for the Non-Operating Grant-Main Street Dev- CT State grant. Stamford Downtown has a net receivable of \$49,633 for grant expenses incurred and paid by the Stamford Downtown but not yet reimbursed from the State of Connecticut.



In all, the fiscal position of the organization remains strong as we close out FY25.

EXHIBIT A**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT**

Statements of Net Position

June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 557,058	\$ 313,788
Investments	1,287,271	1,442,124
Accounts receivable - property taxes	4,034	3,542
Accounts receivable - sponsorships and other	100,036	85,919
Prepaid expenses	215,881	427,830
Agency assets	39,374	36,778
Total assets	<u>\$ 2,203,654</u>	<u>\$ 2,309,981</u>
Liabilities		
Accounts payable and accrued expenses	\$ 221,111	\$ 193,869
Agency liabilities	39,373	36,778
Deferred inflows of resources		
Unearned revenue	41,367	142,303
Total liabilities and deferred inflows of resources	<u>301,851</u>	<u>372,950</u>
Net position		
Unrestricted	1,901,803	1,937,031
Total net position	<u>1,901,803</u>	<u>1,937,031</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,203,654</u>	<u>\$ 2,309,981</u>

The accompanying notes are an integral part of the financial statements.

EXHIBIT B**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT**

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2025 and 2024

	2025	2024
Revenue		
Taxation	\$ 3,260,488	\$ 3,060,903
Sponsorships and events	997,497	1,449,750
Security program - City	104,200	100,000
City beautification program - City	9,000	30,000
Investment income, net	71,804	50,847
Contributed facilities	120,000	120,000
Other contributions	59,698	52,382
Interest	11,119	7,545
	<u>4,633,806</u>	<u>4,871,427</u>
Expenditures		
Administrative	876,753	943,285
Environmental improvements, service management and security programs	1,488,342	1,251,146
Events	1,886,480	2,224,447
Retail administration, recruitment and economic development	215,179	219,964
New initiatives	28,690	38,040
Contributed facilities	120,000	120,000
	<u>4,615,444</u>	<u>4,796,882</u>
Nonoperating revenue (expenses)		
Grant revenue	105,834	-
Grant expenses	(105,834)	-
	<u>18,362</u>	<u>74,545</u>
Changes in net position	18,362	74,545
Net position, beginning of year	<u>1,883,441</u>	<u>1,862,486</u>
Net position, end of year	<u><u>\$ 1,901,803</u></u>	<u><u>\$ 1,937,031</u></u>

The accompanying notes are an integral part of the financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from taxation	\$ 3,331,800	\$ 4,014,664
Cash received from sponsorships and events	882,444	1,304,183
Cash received for security program	104,200	100,000
Cash received for city beautification program	9,000	30,000
Other cash receipts	59,698	52,382
Cash payments for administrative expenses	(901,335)	(925,985)
Cash payments for environmental improvements, service and security programs	(1,488,342)	(1,251,146)
Cash payments for events	(1,674,531)	(2,171,837)
Cash payments for retail administration, recruitment and economic development	(215,179)	(219,964)
Cash payments for new initiatives	(28,690)	(38,040)
Change in cash from operating activities	<u>79,065</u>	<u>894,257</u>
Cash flows from investing activities:		
Purchase of investments	(2,521,230)	(851,718)
Maturing of treasury investments	2,685,435	-
Change in cash from investing activities	<u>164,205</u>	<u>(851,718)</u>
Cash and cash equivalents, beginning of year	313,788	271,249
Cash and cash equivalents, end of year	<u>\$ 557,058</u>	<u>\$ 313,788</u>
Reconciliation of change in net position to change in cash from operating activities		
Change in net position	\$ 18,362	\$ 74,545
Adjustments to reconcile change in net position to change in cash from operating activities:		
Net realized and unrealized (gain)/loss on investments (Increase)/decrease in assets:	(9,353)	(18,801)
Due from City of Stamford	-	903,133
Accounts receivable - property taxes	(492)	5,390
Accounts receivable - sponsorships and other	(14,117)	(67,769)
Prepaid expenses	211,949	52,610
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(26,348)	22,951
Unearned revenue	(100,936)	(77,802)
Change in cash from operating activities	<u>79,065</u>	<u>894,257</u>

The accompanying notes are an integral part of the financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

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 POLICIESBasis 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.

District Budget and Tax Levy

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

- 1) 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.
- 2) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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 it is measurable and collectible.

Sponsorships, Private Grants and Events

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

Security and Beautification Programs

The District's security program is a service to provide security patrols in the City's downtown business area. The District's city beautification program provides for the purchase and maintenance of various beautification items. Funding for these programs is provided by the City and local businesses.

Grant Revenue

The District records revenue from State grants as performance obligations are met and allowable expenditures are incurred. Amounts received in excess of expenditures are classified as refundable advances and amounts earned but not yet reimbursed are classified as accounts receivable.

Fair Value Measurements

The District follows the *Fair Value Measurement and Application* topic of the GASB Codification, which defines fair value and establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America. The topic defines fair value as the exchange price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset and liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including the District's own credit risk.

In addition to defining fair value, the *Fair Value Measurement and Application* topic expands disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These levels are:

- Level 1 Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flows, and similar techniques.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fair Value Measurements - (continued)

Valuation techniques based on unobservable inputs are highly subjective and require judgements regarding significant matters, such as the amount of timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

The following is a description of the valuation methodologies used for assets measured at fair value:

US Government Treasury Bonds and T-Bills – US Government Treasury Bonds and T-Bills are valued using the observable quoted prices in active markets and the assumption that the bond will be held to maturity. These are valued using Level 1 inputs.

Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Realized gains and losses on investments sold are determined on the average cost basis. Dividend and interest income are recorded on the accrual basis.

Accounts Receivable

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 are reflected within deferred inflows of resources.

Grants Receivable

Amounts earned but not yet received on cost-reimbursement grants are classified as grants receivable. At June 30, 2025 and 2024, \$49,633 and \$-0-, respectively, was included in accounts receivable – sponsorships and other on the Statement of Net Position. This amount is deemed fully collectible.

Equipment

The District's policy is to expense the cost of computers and other office equipment items purchased as the amounts were determined by management to be immaterial.

Unearned Revenue

Unearned revenue consists of payments for event sponsorships received in advance of the event. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Compensated Absences – Change in Accounting Principle

Employees are entitled to paid vacations and sick days depending on job classifications, length of service and other factors. The District's policy does not provide for a carryover from one calendar 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 calendar year nor will an employee be paid for any accrued unused sick time upon separation from employment.

During fiscal year 2025, the District adopted GASB *Statement No. 101, Compensated Absences*. This Statement requires the recognition of a liability for certain compensated absences that were not previously reported. The adoption of GASB Statement No. 101 was accounted for as a change in accounting principle. The cumulative effect of the change was recorded as an adjustment to beginning net position as of July 1, 2024. The financial statements for the year ended June 30, 2024 have not been restated.

The effect of the adoption on beginning net position is summarized as follows:

Net position at June 30, 2024, as previously reported	\$ 1,937,031
GASB Statement No. 101 adjustment	<u>(53,590)</u>
Net position at July 1, 2024, as adjusted	<u>\$ 1,883,441</u>

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.

At times the District may receive contributed goods and services from various city departments, local businesses and community volunteers which are reflected as an in-kind contribution and a corresponding in-kind services expense. Contributed goods and services for the years ended June 30, 2025 and 2024 consisted of in-kind rent in the estimated amount of \$120,000 annually, as further described in Note 9.

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.

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 financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events Measurement Date

Management has evaluated subsequent events through February 16, 2026, the date on which financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF RISK

Cash

From time to time, the District's operating cash bank balances may temporarily exceed federally insured limits. The District believes it is not exposed to any significant credit risk as a result.

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.

NOTE 4 – INVESTMENTS

The tables below present fair values of investment securities as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
US Treasury Bonds	\$ 295,277	\$ -	\$ -	\$ 295,277
US Treasury T-Bills	991,994	-	-	991,994
Total	<u>\$ 1,287,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,287,271</u>

	2024			
	Level 1	Level 2	Level 3	Total
US Treasury Bonds	\$ 1,442,124	\$ -	\$ -	\$ 1,442,124
US Treasury T-Bills	-	-	-	-
Total	<u>\$ 1,442,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,442,124</u>

As of June 30, the amortized cost of fair values of investments, by contractual maturity, are shown below:

	2025		2024	
	Amortized Cost	Fair Value - Level 1	Amortized Cost	Fair Value - Level 1
Maturity				
One year or less	\$ 1,281,136	\$ 1,287,271	\$ 1,140,112	\$ 1,148,036
After one year through five years	-	-	295,261	294,088
Total investments	<u>\$ 1,281,136</u>	<u>\$ 1,287,271</u>	<u>\$ 1,435,373</u>	<u>\$ 1,442,124</u>

Investment income was comprised of the following for the years ended June 30:

	2025	2024
Dividends and interest	\$ 72,552	\$ 37,693
Realized gains	6,625	12,051
Unrealized gains/(losses)	2,728	6,750
	<u>81,905</u>	<u>56,494</u>
Investment expenses	(10,101)	(5,647)
Investment income, net	<u>\$ 71,804</u>	<u>\$ 50,847</u>

NOTE 5 – PREPAID EXPENSES, UNEARNED REVENUES AND UNAVAILABLE REVENUES

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

	2025		2024	
	Prepaid Expenses	Unearned Revenues	Prepaid Expenses	Unearned Revenues
Insurance	\$ 126,268	\$ -	\$ 133,813	\$ -
Alive @ Five	-	-	216,773	61,547
Sculpture exhibit event	57,155	37,333	64,279	28,202
Urban Forestry	-	-	-	39,000
Miscellaneous	32,458	4,034	12,965	13,558
Total	\$ 215,881	\$ 41,367	\$ 427,830	\$ 142,307
Unavailable revenues:				
Property taxes		\$ 4,034		\$ 3,542

NOTE 6 – AGENCY ASSETS AND LIABILITIES

The District acts as agent for downtown district restaurants in coordinating joint advertising and refuse collection. 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.

Agency assets and liabilities were as follows at June 30.:

	2025	2024
Stamford tables	\$ 34,681	\$ 29,447
Bedford trash co-op	4,693	7,331
Total	\$ 39,374	\$ 36,778

NOTE 7 – SECURITY PROGRAM AND CITY BEAUTIFICATION PROGRAM

The District has a contract with a company to provide security, cleaning and beautification services on behalf of the District. The fee for these services is based on the hourly billable rates for the employees of the contractor. Payments to this contractor amounted to approximately \$612,200 and \$548,875 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 – EMPLOYEE BENEFIT PLAN

The District sponsors an employee retirement plan, which has two components; a 401(a) plan and a 457(b) plan. The District makes discretionary monthly five percent of salary contributions for eligible employees under the 401(a) plan. Employees may elect to make monthly contributions to the 457(b) plan. Employer contributions for employees during the year ended June 30, 2025 and 2024 amounted to \$58,780 and \$117,437, respectively.

NOTE 9 – LEASED PREMISES

The District leases its office space on a month-to-month basis from a related party for a monthly rental of \$1. The District recognized donated rent expense of \$120,000 for the years ended June 30, 2025 and 2024. This lease may be terminated by either party with 30 days' notice.

NOTE 10 – NONOPERATING GRANT

The District was awarded a multi-year grant by the State of Connecticut Department of Community and Economic Development of \$5.6 million to improve the Main Street corridor on behalf of the City. As of June 30, 2025, \$105,834 has been expended and accordingly recognized as nonoperating revenue on the Statement of Revenues, Expenses and Changes in Net Position.

SCHEDULE 1**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT****Schedules of Event Revenues and Expenditures**

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Event Revenues		
Holiday parade/tree lighting	\$ 305,925	\$ 320,940
Sculpture exhibit	50,202	104,120
Alive @ Five	558,410	934,045
Annual meeting	10,000	23,200
Brews on Bedford/WineFest	29,587	39,664
Crafts	29,780	14,574
Other sponsorships and events	13,593	13,207
	<u> </u>	<u> </u>
Total	<u>\$ 997,497</u>	<u>\$ 1,449,750</u>
Event Expenditures		
Holiday parade/tree lighting	\$ 431,097	\$ 396,296
Sculpture exhibit	92,857	80,400
Alive @ Five	819,326	1,115,024
Brews on Bedford/WineFest	31,590	40,719
Crafts	14,593	7,281
Other	497,017	584,727
	<u> </u>	<u> </u>
Total	<u>\$ 1,886,480</u>	<u>\$ 2,224,447</u>

SCHEDULE 2**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT**

Schedule of Revenues and Expenditures with
Actual to Budget Comparison

For the year ended June 30, 2025

	2025		
	Actual	Budget	Variance
Revenues			
Taxation	\$ 3,260,488	\$ 3,258,503	\$ 1,985
Contingency for uncollectible tax assessments	-	(50,000)	50,000
Sponsorships and events	997,497	1,305,000	(307,503)
Security program - City	104,200	104,200	-
City beautification program - City	9,000	60,000	(51,000)
Investment income	71,804	40,000	31,804
Contributed facilities	120,000	120,000	-
Other contributions	59,698	-	59,698
Interest	11,119	30,000	(18,881)
Total revenues	<u>4,633,806</u>	<u>4,867,703</u>	<u>(233,897)</u>
Expenditures			
Administrative	876,753	881,773	(5,020)
Environmental improvements, service management and security program	1,488,342	1,484,710	3,632
Events	1,886,480	2,123,962	(237,482)
Retail administration, recruitment and economic development	215,179	219,858	(4,679)
New initiatives	28,690	30,000	(1,310)
Total expenditures before contributed facilities	<u>4,495,444</u>	<u>4,740,303</u>	<u>(244,859)</u>
Contributed facilities	120,000	120,000	-
Total expenditures	<u>4,615,444</u>	<u>4,860,303</u>	<u>(244,859)</u>
Excess of revenues over expenditures	<u>\$ 18,362</u>	<u>\$ 7,400</u>	<u>\$ 10,962</u>
Net position, beginning of year	<u>1,883,441</u>		
Net position, end of year	<u>\$ 1,901,803</u>		

SCHEDULE 3**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT**

Schedule of Revenues and Expenditures with
Actual to Budget Comparison

For the year ended June 30, 2024

	2024		
	Actual	Budget	Variance
Revenues			
Taxation	\$ 3,060,903	\$ 3,063,511	\$ (2,608)
Contingency for uncollectible tax assessments	-	(50,000)	50,000
Sponsorships and events	1,449,750	1,610,000	(160,250)
Security Program - City	100,000	100,000	-
City beautification program - City	30,000	-	30,000
Investment income	50,847	20,000	30,847
Contributed facilities	120,000	120,000	-
Other contributions	52,382	-	52,382
Interest	7,545	-	7,545
Total revenues	<u>4,871,427</u>	<u>4,863,511</u>	<u>7,916</u>
Expenditures			
Administrative	943,285	941,802	1,483
Environmental improvements, service management and security program	1,251,146	1,265,382	(14,236)
Events	2,224,447	2,223,744	703
Retail administration, recruitment and economic development	219,964	247,491	(27,527)
New initiatives	38,040	50,000	(11,960)
Total expenditures before contributed facilities	<u>4,676,882</u>	<u>4,728,419</u>	<u>(51,537)</u>
Contributed facilities	120,000	120,000	-
Total Expenditures	<u>4,796,882</u>	<u>4,848,419</u>	<u>(51,537)</u>
Excess of revenues over expenditures	<u>\$ 74,545</u>	<u>\$ 15,092</u>	<u>\$ 59,453</u>
Net position, beginning of year	<u>1,862,486</u>		
Net position, end of year	<u>\$ 1,937,031</u>		