

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Riverfront Recapture, Inc. and Subsidiary  
Hartford, Connecticut

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Riverfront Recapture, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Riverfront Recapture, Inc. and Subsidiary as of December 31, 2025 and 2024, and the results of its operations 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Riverfront Recapture, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverfront Recapture, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Riverfront Recapture, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverfront Recapture, Inc. and Subsidiary'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.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
April 8, 2026

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,469,391	\$ 741,834
Grants Receivable	203,477	254,909
Pledges and Contributions Receivable, Net	18,825	89,430
Prepaid Expenses	60,179	57,858
Accounts Receivable	4,318	9,581
Investments	5,386,692	5,347,534
Land and Equipment, Net	2,213,645	2,013,673
Right-of-Use Asset - Operating, Net	213,405	274,989
	\$ 9,569,932	\$ 8,789,808
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 209,357	\$ 146,635
Refundable Advances	50,048	95,505
Right of Use Liability - Operating	213,405	274,989
Total Liabilities	472,810	517,129
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	3,636,783	3,375,253
Net Assets With Donor Restrictions	5,460,339	4,897,426
Total Net Assets	9,097,122	8,272,679
Total Liabilities and Net Assets	\$ 9,569,932	\$ 8,789,808

*See accompanying Notes to Consolidated Financial Statements.*

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government Grants	\$ 2,021,190	\$ -	\$ 2,021,190
Contributions and Grants	764,627	148,204	912,831
Program Fees	563,993	-	563,993
Fundraising Events and Sponsorships	399,118	-	399,118
Less: Cost of Direct Benefits	(43,627)		(43,627)
Net Special Events	355,491	-	355,491
Other Earned Income	448,925	-	448,925
Net Assets Released from Restrictions	181,187	(181,187)	-
Total Support and Revenue	4,335,413	(32,983)	4,302,430
 <b>EXPENSES</b>			
Program Services	3,732,894	-	3,732,894
General and Administration	199,342	-	199,342
Fundraising	389,211	-	389,211
Total Expenses	4,321,447	-	4,321,447
 <b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	13,966	(32,983)	(19,017)
 <b>OTHER CHANGES IN NET ASSETS</b>			
Realized and Unrealized Gains on Investments	146,069	484,283	630,352
Interest and Dividend Income	74,795	111,613	186,408
Gain on Disposal of Equipment	19,300	-	19,300
Miscellaneous Income	7,400	-	7,400
Total Other Changes in Net Assets	247,564	595,896	843,460
 <b>CHANGE IN NET ASSETS</b>	261,530	562,913	824,443
Net Assets - Beginning of Year	3,375,253	4,897,426	8,272,679
 <b>NET ASSETS - END OF YEAR</b>	\$ 3,636,783	\$ 5,460,339	\$ 9,097,122

See accompanying Notes to Consolidated Financial Statements.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government Grants	\$ 2,088,887	\$ -	\$ 2,088,887
Contributions and Grants	644,886	15,026	659,912
Program Fees	582,925	-	582,925
Fundraising Events and Sponsorships	415,201	-	415,201
Less: Cost of Direct Benefits	(37,463)		(37,463)
Net Special Events	377,738	-	377,738
Other Earned Income, Net	174,479	-	174,479
Net Assets Released from Restrictions	275,403	(275,403)	-
Total Support and Revenue	4,144,318	(260,377)	3,883,941
<b>EXPENSES</b>			
Program Services	3,747,418	-	3,747,418
General and Administration	137,951	-	137,951
Fundraising	299,005	-	299,005
Total Expenses	4,184,374	-	4,184,374
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	(40,056)	(260,377)	(300,433)
<b>OTHER CHANGES IN NET ASSETS</b>			
Realized and Unrealized Gains on Investments	106,810	195,221	302,031
Interest and Dividend Income	64,277	104,303	168,580
Gain on Disposal of Equipment	31,989	-	31,989
Miscellaneous Income	12,351	-	12,351
Total Other Changes in Net Assets	215,427	299,524	514,951
<b>CHANGE IN NET ASSETS</b>	175,371	39,147	214,518
Net Assets - Beginning of Year	3,199,882	4,858,279	8,058,161
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,375,253</u>	<u>\$ 4,897,426</u>	<u>\$ 8,272,679</u>

See accompanying Notes to Consolidated Financial Statements.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2025**

	Program Services				Supporting Services		2025 Total
	Park Management and Development	Entertainment and Events	Recreational Programs	Total	General and Administration	Fundraising	
Compensation	\$ 826,896	\$ 216,154	\$ 334,857	\$ 1,377,907	\$ 97,255	\$ 211,752	\$ 1,686,914
Employee Benefits	83,928	32,942	23,787	140,657	16,344	27,858	184,859
Payroll Taxes	76,368	17,829	30,926	125,123	8,982	19,497	153,602
Design and Construction	437,506	-	-	437,506	-	-	437,506
Park Maintenance	395,507	-	29,853	425,360	-	-	425,360
Insurance	238,913	25,488	92,947	357,348	16,259	14,685	388,292
Events and Recreational Programming	-	260,487	197,848	458,335	-	60,655	518,990
Depreciation	66,423	215	64,658	131,296	90	236	131,622
Other Professional Services	22,912	5,247	8,320	36,479	38,560	5,746	80,785
Occupancy	31,780	9,859	15,635	57,274	4,133	10,797	72,204
Equipment and Technology	13,183	4,476	33,331	50,990	1,365	16,012	68,367
Processing Fees	-	9,408	31,760	41,168	-	3,814	44,982
Accounting Fees	20,229	5,387	10,770	36,386	2,258	5,899	44,543
Advertising and Promotion	14,902	4,640	10,300	29,842	1,828	44,159	75,829
Conferences and Meetings	6,185	2,046	2,027	10,258	3,892	1,400	15,550
Legal Fees	5,330	-	-	5,330	7,875	-	13,205
Telephone	5,191	2,422	2,316	9,929	343	1,864	12,136
Postage	257	190	279	726	95	5,119	5,940
Supplies	587	150	243	980	63	3,345	4,388
	-	-	-	-	-	-	-
Total Expenses	<u>2,246,097</u>	<u>596,940</u>	<u>889,857</u>	<u>3,732,894</u>	<u>199,342</u>	<u>432,838</u>	<u>4,365,074</u>
Less: Expenses Included with Total Support and Revenue on the Consolidated Statement of Activities:							
Cost of Direct Benefits	-	-	-	-	-	(43,627)	(43,627)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 2,246,097</u>	<u>\$ 596,940</u>	<u>\$ 889,857</u>	<u>\$ 3,732,894</u>	<u>\$ 199,342</u>	<u>\$ 389,211</u>	<u>\$ 4,321,447</u>

See accompanying Notes to Consolidated Financial Statements.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	Program Services				Supporting Services		2024 Total
	Park Management and Development	Entertainment and Events	Recreational Programs	Total	General and Administration	Fundraising	
Compensation	\$ 743,356	\$ 212,579	\$ 307,460	\$ 1,263,395	\$ 95,108	\$ 176,909	\$ 1,535,412
Employee Benefits	76,660	34,718	20,272	131,650	15,517	22,574	169,741
Payroll Taxes	68,850	19,138	28,390	116,378	8,809	16,229	141,416
Design and Construction	721,012	-	-	721,012	-	-	721,012
Park Maintenance	409,926	-	35,420	445,346	-	-	445,346
Insurance	233,611	19,065	95,281	347,957	3,910	7,700	359,567
Events and Recreational Programming	-	102,284	234,994	337,278	-	49,002	386,280
Depreciation	63,551	447	60,932	124,930	151	293	125,374
Equipment and Technology	20,302	2,799	44,900	68,001	590	8,039	76,630
Occupancy	39,120	8,251	16,633	64,004	2,787	5,413	72,204
Advertising and Promotion	11,109	10,456	13,342	34,907	756	37,418	73,081
Processing Fees	-	5,150	34,130	39,280	-	841	40,121
Accounting Fees	14,520	2,627	7,581	24,728	888	1,724	27,340
Conferences and Meetings	6,686	650	1,210	8,546	3,992	871	13,409
Telephone	6,414	1,626	3,076	11,116	288	1,622	13,026
Legal Fees	4,701	-	-	4,701	5,000	-	9,701
Supplies	2,354	596	877	3,827	132	4,191	8,150
Postage	18	41	303	362	23	3,642	4,027
	<u>2,422,190</u>	<u>420,427</u>	<u>904,801</u>	<u>3,747,418</u>	<u>137,951</u>	<u>336,468</u>	<u>4,221,837</u>
Total Functional Expenses							
Less: Expenses Included with Total Support and Revenue on the Consolidated Statement of Activities:							
Cost of Direct Benefits	-	-	-	-	-	(37,463)	(37,463)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 2,422,190</u>	<u>\$ 420,427</u>	<u>\$ 904,801</u>	<u>\$ 3,747,418</u>	<u>\$ 137,951</u>	<u>\$ 299,005</u>	<u>\$ 4,184,374</u>

See accompanying Notes to Consolidated Financial Statements.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 824,443	\$ 214,518
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(630,352)	(302,031)
Depreciation	131,622	125,374
Gain on Disposal of Equipment	(19,300)	
(Increase) Decrease in Operating Assets:		(32,335)
Grants Receivable	51,432	(1,301)
Pledges and Contributions Receivable, Net	70,605	82,902
Prepaid Expenses	(2,321)	(14,717)
Accounts Receivable	5,263	4,748
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	62,722	(96,358)
Refundable Advances	(45,457)	62,849
Net Cash Provided by Operating Activities	448,657	43,649
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Land and Equipment	(331,594)	(250,960)
Proceeds from sale of Land and Equipment	19,300	35,800
Sales of Investments	2,434,572	1,093,848
Purchases of Investments	(1,858,643)	(1,147,250)
Net Cash Provided (Used) by Investing Activities	263,635	(268,562)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Restricted for Long-Term Investment	15,265	15,026
Net Cash Provided by Financing Activities	15,265	15,026
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	727,557	(209,887)
Cash and Cash Equivalents - Beginning of Year	741,834	951,721
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,469,391	\$ 741,834
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property Received in Exchange for Operating Lease	\$ -	\$ 261,968

See accompanying Notes to Consolidated Financial Statements.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity**

Riverfront Recapture, Inc. (RRI) is a nonprofit corporation organized in 1981 for the purpose of improving public access to the Connecticut River (Riverfront). Through an innovative combination of park management and development, recreational programs, as well as entertainment and events, RRI improves the region's quality of life and urban vitality for the community. RRI's efforts ensure private-public collaboration and positively impacts the local economy by drawing local and out-of-state visitors to its parks.

On September 5, 2019, Riverfront Land, Inc. (RLI) was established by RRI in order to serve as the supporting organization to RRI by acquiring, protecting, and improving certain parcels of land adjacent to the Connecticut River. RRI is the sole corporate member of RLI.

**Financial Statement Presentation**

The consolidated financial statements are prepared on a consolidated basis to include the transactions of RRI and RLI (collectively, RRI). All material intercompany balances and transactions have been eliminated from the consolidated financial statements. The consolidated financial statements of RRI have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of RRI are reported in the following net asset categories:

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors. Net assets without donor restrictions may be designated for specific purpose by action of the board of directors. The board designates a portion of funds for the purpose of functioning as an endowment. In 2019, the board designated \$200,000 of funds for the Riverfront Innovation Fund. The Riverfront Innovation Fund (RIF) is designed to provide seed money for new RRI projects and programs. After funding several initiatives through 2022, the balance in the RIF is \$143,206. No activity has been recorded in 2024 or 2025.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Board-designated net assets as of December 31 are as follows:

	2025	2024
Board-Designated to Function as Endowment	\$ 499,087	\$ 476,421
Riverfront Innovation Fund	143,206	143,206
Total Designated Net Assets	\$ 642,293	\$ 619,627

**Net Assets With Donor Restrictions**

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit RRI to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

**Measure of Operations**

The change in net assets without donor restrictions from operations excludes interest and dividend income, realized and unrealized gains, gain on disposal of equipment, and miscellaneous income.

**Tax Exempt Status**

RRI is exempt from federal income taxes under provisions of Internal Revenue Code Section 501(c)(3). However, the operations of food, beverage, and rental sales from private events qualify as unrelated business taxable income and to the extent that these operations generate income, they are subject to federal and state taxes. RLI is also exempt from federal income taxes under provisions of Internal Revenue Code Section 501(c)(3).

**Cash and Cash Equivalents**

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less, exclusive of cash held by brokers, which are treated as investments. RRI maintains deposits in financial institutions that may, at times, exceed federal depository insurance (FDIC) limits. Management believes that RRI's deposits are not subject to significant credit risk. As of December 31, 2025 RRI did not have any cash or cash equivalents exceeding FDIC limits.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Pledges and Contributions, Including Governmental Grants and Contracts**

In accordance with accounting principles generally accepted in the United States of America, certain governmental grants and contracts received by a nonprofit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there is no commensurate value transferred between the resource provider and the organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

RRI reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented as net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying consolidated statements of financial position.

Conditional government grants and contracts not recognized as revenue as of December 31, 2025 and 2024 totaled \$4,516,205 and \$1,260,832, respectively. Government grants and contracts are conditioned on incurring qualified program expenses. See Note 11 for additional disclosures on capital projects associated with these conditional government grants.

Contributed services are recognized in the consolidated financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition.

**Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gain (loss) include RRI's gains and losses on investments bought and sold as well as held during the year. These amounts are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions as appropriate based on any donor stipulations or law.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Land and Equipment**

RRI capitalizes all expenditures for equipment in excess of \$5,000 and having a useful life of three years or greater. Purchased equipment is recorded at cost, less accumulated depreciation. Donated equipment is recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated lives for financial reporting purposes are three years for equipment, 10 years for boats, 5 to 10 years for vehicles and 10 years for fixtures. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net assets for the period.

RRI reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, RRI reports expirations of donor restrictions of acquired long-lived assets when placed in service.

**Revenue Recognition**

RRI recognizes revenue at an amount that reflects the consideration to which RRI expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) RRI satisfies a performance obligation

See Note 2 for details on how the above five-step process is applied to RRI's contracts with customers.

**Concentrations**

RRI receives funding from a governmental partner for park operations and maintenance services. This support consisted of 30% and 32% of the total revenue for the years ended December 31, 2025 and 2024, respectively.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. Certain categories or expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied and determined by management. The expenses that are allocated based upon time and effort include compensation and benefits, insurance, depreciation, equipment rental and maintenance, advertising and promotion, accounting fees, conferences, conventions and meetings, telephone, occupancy, postage and supplies.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates.

**Leases**

RRI leases office facilities. RRI determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and right-of-use (ROU) liabilities – operating, in the consolidated statements of financial position.

ROU assets represent RRI's right to use an underlying asset for the lease term and lease liabilities represent RRI's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that RRI will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. RRI has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

RRI has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

RRI's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, RRI has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities. The risk-free rate of 4.30% was the U.S Treasury Rate as of lease inception for the years ending December 31, 2025 and 2024.

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**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Reclassification**

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

**Subsequent Events**

In preparing these consolidated financial statements, management has evaluated subsequent events through April 8, 2026, which represents the date the consolidated financial statements were available to be issued.

**NOTE 2 REVENUES FROM CONTRACTS WITH CUSTOMERS**

**Program Fees**

RRI enters into written contracts or online registration to provide programs to participants, which may be individuals, companies, nonprofits, or schools. Program fees include Rowing, Dragon boating and the Dragon Boat Race, rowing clinics, the Head of the Riverfront Regatta, and various other programs. Contracts are created for certain programs and a deposit may be required to secure the program date, with full payment usually required before the start of the program. These are primarily the Adventure programs which are tailored to the clients' needs. An exception would be companies and recurring customers that are sometimes invoiced after the program.

At contract inception, RRI assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, RRI considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. RRI satisfies its performance obligations for programs at the point in time when the program is held. A majority of program fees are paid in advance as part of an online registration process, particularly all of the rowing activities, which make up a majority of this revenue.

A full refund will be issued for withdrawals received in writing before the start of the program subject to certain restrictions or charges.

RRI recognized revenue for program fees at a point in time of \$532,142 and \$550,067 for the years ended December 31, 2025 and 2024, respectively.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Other Earned Income**

RRI enters into contracts to provide various public and private events and festivals to the public. The payment terms and conditions vary by event based on the individual contract. At contract inception, RRI assesses the goods and services promised in its contracts with customers and identifies performance obligations for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, RRI considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. RRI determines that the completion of an event is the distinct good and service and represents a single performance obligation.

RRI satisfies its performance obligations for each event at a point in time when the event is held. RRI requires a deposit ranging from \$100 up to 50% of the charge, depending on the type of event. The remaining amount is due in full prior to the public events or within 30 days after private corporate events. While certain deposits are nonrefundable, RRI uses its discretion on refund decisions as there are a variety of reasons an event or vendor's participation is canceled.

RRI recognized revenue (expense) from other earned income at a point in time of \$217,080 and \$128,578 for the years ended December 31, 2025 and 2024, respectively.

The opening and closing balances of RRI's program fees accounts receivable and refundable advances are as follows:

	Contract Balances	
	Receivables	Refundable Advances
Opening Balance - January 1, 2024	\$ 14,329	\$ 23,734
Closing Balance - December 31, 2024	9,581	39,378
Increase (Decrease)	<u>\$ (4,748)</u>	<u>\$ 15,644</u>
Opening Balance - January 1, 2025	\$ 9,581	\$ 39,378
Closing Balance - December 31, 2025	4,318	-
Decrease	<u>\$ (5,263)</u>	<u>\$ (39,378)</u>

The balance of refundable advances at December 31, 2025, less any refunds, will be recognized as revenue during the period services are rendered. RRI applies the practical expedient 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that RRI has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in inactive markets;
- inputs other than quoted prices that are observable for the asset;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value. The fair value of these investments is not included in the fair value hierarchy.

**Financial Instruments Measured at Fair Value**

The following is a description of the valuation methodologies and investment strategies used for financial instruments measured at fair value:

*Mutual Funds:* Mutual funds are valued at the quoted price of shares reported in the active market in which the mutual funds are traded.

*Fixed Income Funds:* Fixed income is valued at the closing price reported in the active market in which the individual securities are traded.

There have been no changes in the valuation methodologies used at December 31, 2025 and 2024.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while RRI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Description	2025			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equities	\$ 2,848,715	\$ 2,848,715	\$ -	\$ -
Fixed Income	2,537,977	2,537,977	-	-
Total	<u>\$ 5,386,692</u>	<u>\$ 5,386,692</u>	<u>\$ -</u>	<u>\$ -</u>
Description	2024			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equities	\$ 3,457,426	\$ 3,457,426	\$ -	\$ -
Fixed Income	1,890,108	1,890,108	-	-
Total	<u>\$ 5,347,534</u>	<u>\$ 5,347,534</u>	<u>\$ -</u>	<u>\$ -</u>

Prior to July 2025, RRI maintained an agreement with a company which allowed RRI to borrow money for up to 70% of its unrestricted investment balance, collateralized by its investment securities. Subsequent to July 2025, RRI changed companies and this agreement was not available with their new company. As of December 31, 2025, there is no outstanding balance under this agreement.

**NOTE 4 PLEDGES AND CONTRIBUTIONS RECEIVABLE**

Unconditional pledges and contributions receivable as of December 31 are expected to be collected as follows:

	2025	2024
Receivable in Less than One Year	\$ 18,825	\$ 88,930
Receivable in One to Five Years	-	500
Total	<u>18,825</u>	<u>89,430</u>
Less: Reserve for Uncollectible Contributions	-	-
Total Contributions Receivable	<u>\$ 18,825</u>	<u>\$ 89,430</u>

A reserve for uncollectible contributions was not deemed necessary for the year ended December 31, 2025.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 5 LAND AND EQUIPMENT**

Fixed assets as of December 31 include the following:

	2025	2024
Land	\$ 1,583,532	\$ 1,398,430
Equipment, Fixtures, and Vehicles	2,050,607	1,957,139
Construction in Progress	9,000	19,500
Subtotal	3,643,139	3,375,069
Less: Accumulated Depreciation	1,429,494	1,361,396
Total	\$ 2,213,645	\$ 2,013,673

Depreciation expense charged to operations was \$131,622 and \$125,374 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 6 OFFICE LEASE**

RRI leases their office facility under a non-cancellable eight-year lease agreement that expires on February 28, 2029. Additionally, the agreement requires RRI to pay certain property taxes and insurance costs.

The following table provides quantitative information concerning RRI's operating lease for the years ended December 31:

	2025	2024
Lease Cost:		
Operating Lease Cost	\$ 72,204	\$ 72,204
Other Information:		
Operating Cash Flows from Operating Lease	\$ 72,204	\$ 72,204
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 261,968
Weighted Average Remaining Lease Term - Operating Lease	3.1 years	4.1 years
Weighted Average Discount Rate - Operating Lease	4.30%	4.30%

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY  
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**NOTE 6 OFFICE LEASE (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for operating lease liabilities as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>		
2026	\$	72,204
2027		72,204
2028		72,204
2029		12,034
2030		-
Total Lease Payments		228,646
Less: Imputed Interest		(15,241)
Present Value of Lease Liabilities	\$	213,405

**NOTE 7 LIQUIDITY AND AVAILABILITY OF RESOURCES**

RRI's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

	2025	2024
Cash and Cash Equivalents	\$ 346,445	\$ -
Grants Receivable	203,477	254,909
Pledges and Contributions Receivable, Net	8,825	30,563
Accounts Receivable	4,318	9,581
Available Investments	425,830	661,548
Total Financial Assets Available to Management for General Expenditure Within One Year	\$ 988,895	\$ 956,601

**Liquidity Management**

RRI maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, RRI invests cash in excess of weekly requirements in short- and long-term investments. Available investments represent funds within the investment portfolio that are not donor-restricted or board-designated. As of December 31, 2025 and 2024, investments in the amount of \$1,405,097 and \$1,158,611, respectively, represent funds that are donor restricted for purpose or time and investments in the amount of \$2,913,472 and \$2,614,842, respectively, represent donor-restricted funds to be held in perpetuity. As of December 31, 2025 and 2024, RRI has a board-designated endowment of \$499,087 and \$476,421, respectively. The board-designated endowment funds have the objective of providing a subsidy for programs and a reserve for future financial needs. In addition to this, as of December 31, 2025 and 2024, RRI has a board-designated balance of \$143,206 for the Riverfront Innovation Fund. With approval of the board, these funds could be drawn upon in the event of financial distress or an immediate liquidity need.

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 7 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

A significant portion of RRI's funding is based on reimbursement after expenditures are made, which can result in large fluctuations in the cash balance. Prior to July 2025, RRI maintained an agreement with a company which allowed RRI to borrow money for up to 70% of its unrestricted investment balance, collateralized by its investment securities, that it could draw upon in the event of an unanticipated liquidity need. Subsequent to July 2025, RRI changed companies and this agreement was not available with their new company. As of December 31, 2025, there is no outstanding balance under this agreement.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

The following is the composition of RRI's net assets with donor restrictions at December 31:

	2025	2024
Endowment:		
Restricted in Perpetuity:		
Income Use Unrestricted	\$ 1,898,315	\$ 1,897,886
Income Use Restricted - Summer Music Concerts	100,000	100,000
Income Use Restricted - Rowing Scholarships	100,000	100,000
Income Use Restricted - Riverfront Boathouse	30,097	15,026
Accumulated Gains and Income Available for		
Appropriation by the Board of Directors	785,060	501,930
Total Endowment	2,913,472	2,614,842
Donor Restricted by Time or Purpose:		
Time Restricted	8,825	30,367
Other Net Assets With Donor Use Restrictions:		
Marfuggi Parks Projects	1,463,067	1,414,616
Rowing Programs	281,464	214,238
Riverfront Capital Projects	51,125	28,647
Strategic Planning	23,500	-
Technology Projects	45,345	-
Other Purpose	15,000	-
Youth Programs	658,541	594,716
Total Net Assets With Donor Restrictions	\$ 5,460,339	\$ 4,897,426

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following purpose or time restrictions:

	2025	2024
Purpose:		
Riverfront Capital Projects	\$ 147,844	\$ 205,428
Rowing Programs	689	51,931
Marfuggi Parks Fund	32,654	18,044
Total Net Assets Released	\$ 181,187	\$ 275,403

**NOTE 10 ENDOWMENT**

RRI's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CTUPMIFA) 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, RRI classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanent endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by RRI in a manner consistent with the standard of prudence prescribed by CTUPMIFA.

In accordance with CTUPMIFA, RRI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of RRI and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of RRI
7. The investment policies of RRI

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 10 ENDOWMENT (CONTINUED)**

Changes in endowment net assets by type or fund are as follows for the years ended December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2024	\$ 449,478	\$ 2,511,978	\$ 2,961,456
Investments Return:			
Investment Income	16,746	70,401	87,147
Net Realized and Unrealized Gains	31,321	130,706	162,027
Total Investment Income	<u>48,067</u>	<u>201,107</u>	<u>249,174</u>
Contributions	<u>-</u>	<u>15,026</u>	<u>15,026</u>
Appropriation of Endowment Assets for Expenditure	<u>(21,124)</u>	<u>(113,269)</u>	<u>(134,393)</u>
Endowment Net Assets - December 31, 2024	476,421	2,614,842	3,091,263
Investments Return:			
Investment Income	17,764	75,239	93,003
Net Realized and Unrealized Gains	78,120	328,390	406,510
Total Investment Income	<u>95,884</u>	<u>403,629</u>	<u>499,513</u>
Contributions	<u>-</u>	<u>15,265</u>	<u>15,265</u>
Appropriation of Endowment Assets for Expenditure	<u>(73,218)</u>	<u>(120,264)</u>	<u>(193,482)</u>
Endowment Net Assets - December 31, 2025	<u>\$ 499,087</u>	<u>\$ 2,913,472</u>	<u>\$ 3,412,559</u>

**RIVERFRONT RECAPTURE, INC. AND SUBSIDIARY**  
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**NOTE 10 ENDOWMENT (CONTINUED)**

**Funds With Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CTUPMIFA requires RRI to retain as a fund of perpetual duration. As of December 31, 2024, the aggregate fair value of one donor-restricted fund with deficiencies was \$14,692 and the historic dollar value was \$15,026. There were no funds with deficiencies during the year ending December 31, 2025.

**Return Objectives and Risk Parameters**

RRI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that RRI must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. RRI expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, RRI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RRI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

RRI's investment and spending policy over endowment assets attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, investments are intended to produce results that exceed the price and yield results of a target index while assuming a commensurate market level of investment risk. Allocations of endowment resources are specified by the board up to 5% of the average fair value of the preceding twelve quarters. RRI has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

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**NOTE 11 CAPITAL PROJECTS**

In 2015, RRI received a commitment from the State of Connecticut Department of Energy and Environmental Protection in the amount of \$1.5 million to continue the design and permitting phase of the Riverwalk South project as well as constructing a temporary walkway. Total expenses incurred through December 31, 2025 related to this commitment were \$330,125.

In 2018, RRI received two grants through the Capital Region Development Authority (CRDA), \$1 million for planning and development of riverfront property in north Hartford acquired in 2019 and \$1.34 million for a variety of repairs and improvements to Great River Park in East Hartford. Total expenses incurred through December 31, 2025 related to these commitments were \$1,398,672.

In 2021, RRI received a commitment from the U.S Environmental Protection Agency for \$500,000 for environmental remediation at Riverfront Land. Total expenses incurred through December 31, 2025 related to this commitment were \$136,528.

In 2021, RRI received a commitment from the State of Connecticut Department of Economic and Community Development for \$1,220,000 for environmental remediation at Riverfront Land. Total expenses incurred through December 31, 2025 related to this commitment were \$364,227. In 2025, RRI requested and received an additional \$610,000 from DECD for project expenses in accordance with our project agreement. The grantee can request an additional 50% in funding if remediation costs exceed the funding available. The total DECD Brownfield funding available for the project is now \$1,830,000.

In 2023, RRI received a commitment from the United States Department of Housing and Urban Development in the amount of \$900,000 primarily for the masterplan and related costs for the future park at Riverfront Land. Total expenses incurred through December 31, 2025 related to this commitment were \$899,619.

In 2025, RRI signed a project management agreement with the City of Hartford in the amount of \$480,000 for the Guardrail Improvement project in Riverside Park through the Community Development Block Grant Program. Total expenses incurred through December 31, 2025 related to this commitment were \$13,520.

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**NOTE 12 RIVERFRONT RECAPTURE 401(K) PLAN**

RRI sponsors a 401(k) plan which covers all employees who meet certain eligibility requirements. Under the plan, eligible employees may elect to defer a portion of their salary subject to Internal Revenue Service and plan limits. This plan provides for discretionary employer matching and nonelective contributions. Employer contributions are subject to a five-year vesting schedule. During the year ended December 31, 2018, RRI instituted an ongoing match of 50% of employee contributions up to a maximum of 3% of salary. During the year ended December 31, 2023, RRI amended the match to be 100% of employee contributions on the first 3% of salary and 50% of employee contributions for the next 6% of salary. Contribution expense recognized by RRI was \$65,110 and \$52,580 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

During 2020 and 2023, RRI entered into contracts with Fuss & O'Neill to provide services related to the permitting, environmental remediation and development of the land purchased in 2019. The contracts call for costs totaling \$1,240,784, of which approximately \$896,498 has been incurred through December 31, 2025.

During 2021 and 2025, RRI entered into a contract and subsequent change order with GEI Consultants, Inc. to provide engineering services related to the Great River Park Improvements project in East Hartford. The contract calls for costs totaling \$513,596, of which \$305,063 has been incurred through December 31, 2025.

In 2023, RRI entered into a contract with Hargreaves Jones Landscape Architecture to provide services related to the master plan for the future park at Riverfront Land. The contract calls for costs totaling \$900,000, of which \$899,619 has been incurred through December 31, 2025.



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