

**HAMDEN ECONOMIC DEVELOPMENT
CORPORATION**

Financial Statements

June 30, 2024 and 2023

HAMDEN ECONOMIC DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hamden Economic Development Corporation
Hamden, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hamden Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, 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 Hamden Economic Development Corporation as of June 30, 2024 and 2023, and the changes in its net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hamden Economic Development Corporation 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 opinions.

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.

INDEPENDENT AUDITORS' REPORT

(Continued)

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 Hamden Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 and *Government 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 and *Government 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 Hamden Economic Development Corporation'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.

INDEPENDENT AUDITORS' REPORT (Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamden Economic Development Corporation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, on our consideration of Hamden Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hamden Economic Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamden Economic Development Corporation's internal control over financial reporting and compliance.

Sunione Macca & Larrow LLP

Wethersfield, Connecticut
September 28, 2026

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 99,964	\$ 253,786
Cash restricted for soil management expenditures	751,086	464,563
Restricted certificate of deposit	-	546,670
Grants receivable	488,140	904,438
Due from related party	-	42,943
Other current assets	<u>5,949</u>	<u>23,156</u>
Total Assets	<u><u>\$ 1,345,139</u></u>	<u><u>\$ 2,235,556</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 319,277	\$ 265,303
Deferred revenue	<u>930,020</u>	<u>1,655,747</u>
Total Liabilities	1,249,297	1,921,050
 NET ASSETS		
Without donor restrictions	<u>95,842</u>	<u>314,506</u>
Total Liabilities and Net Assets	<u><u>\$ 1,345,139</u></u>	<u><u>\$ 2,235,556</u></u>

See notes to financial statements.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND SUPPORT		
Grants	\$ 3,111,789	\$ 2,434,225
Interest	7,412	16,307
Other income	<u>-</u>	<u>7,606</u>
Total Revenues and Support	<u>3,119,201</u>	<u>2,458,138</u>
EXPENSES		
Program services	3,181,915	2,502,230
Management and general	<u>155,950</u>	<u>516,416</u>
Total Expenses	<u>3,337,865</u>	<u>3,018,646</u>
Change in net assets	(218,664)	(560,508)
NET ASSETS WITHOUT DONOR RESTRICTIONS, Beginning	<u>314,506</u>	<u>875,014</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, Ending	<u><u>\$ 95,842</u></u>	<u><u>\$ 314,506</u></u>

See notes to financial statements.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (218,664)	\$ (560,508)
Changes in operating assets and liabilities:		
Grants receivable	416,298	(442,429)
Interest receivable	-	3,563
Due from related party	42,943	(22,441)
Other current assets	17,207	6,724
Accounts payable	53,974	(230,333)
Deferred revenue	<u>(725,727)</u>	<u>(19,626)</u>
Net Cash Used in Operating Activities	<u>(413,969)</u>	<u>(1,265,050)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of assets restricted for soil management	546,670	526,200
Collections on note receivable	<u>-</u>	<u>475,000</u>
Net Cash Provided by Investing Activities	<u>546,670</u>	<u>1,001,200</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	132,701	(263,850)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, Beginning	<u>718,349</u>	<u>982,199</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, Ending	<u><u>\$ 851,050</u></u>	<u><u>\$ 718,349</u></u>

See notes to financial statements.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2024 and 2023

	2024			2023		
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Construction costs	\$ 3,117,679	\$ -	\$ 3,117,679	\$ 2,467,001	\$ -	\$ 2,467,001
Contribution	-	137,538	137,538	-	500,000	500,000
Professional fees	30,891	10,500	41,391	16,990	10,500	27,490
Insurance	32,715	-	32,715	17,444	-	17,444
Conferences	-	4,298	4,298	-	1,316	1,316
Office supplies and expense	630	3,502	4,132	795	4,457	5,252
Bank charges	-	71	71	-	-	-
Miscellaneous expenses	-	41	41	-	143	143
Total Functional Expenses	<u>\$ 3,181,915</u>	<u>\$ 155,950</u>	<u>\$ 3,337,865</u>	<u>\$ 2,502,230</u>	<u>\$ 516,416</u>	<u>\$ 3,018,646</u>

See notes to financial statements.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Hamden Economic Development Corporation (the “Organization”) was established as a not-for-profit Connecticut corporation in 2005.

The Organization is based in the Town of Hamden, Connecticut. The Organization’s mission is to remediate, repair, and improve residential and commercial properties in the Town of Hamden that have been affected by environmental contamination.

The Organization receives funding from the State of Connecticut and, from time-to-time, the federal government to perform specified contracted services. The Organization may also receive funding through contributions from private foundations, municipalities, and individuals.

Basis of Presentation - In accordance with Accounting Standards Codification (“ASC”) Topic 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Organization reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent resources that may be spent at the discretion of the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the fund be maintained in perpetuity. The Organization does not have any net assets with donor restrictions.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization includes cash on hand, and unrestricted demand deposits with financial institutions, in “Cash and Cash Equivalents” as used in the Statements of Cash Flows. The Organization also considers short-term, highly liquid investments with maturities of three months or less from the date of original acquisition to be cash equivalents. There were no cash equivalents at June 30, 2024 and 2023.

Cash Restricted for Soil Management Expenditures and Certificates of Deposit - The Organization includes cash and certificates of deposit related to the administration of the Soil Management Fund as restricted. Refer to Note 8 of the financial statements.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants - In accordance with ASU (“Accounting Standards Update”) 2018-08, grants from government agencies are accounted for as conditional contributions. Conditional contributions are recorded when the condition has been satisfied. Grant funds received prior to satisfaction of the condition are reported as deferred revenue. Conditions satisfied in advance of grant funds being received are reported as a receivable.

A portion of the Organization’s revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received cost-reimbursable grants of \$1,097,869 and \$4,209,658 that have not yet been recognized as of June 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred, with deferred revenue of \$930,020 and \$1,655,747 reported in the statements of financial position at June 30, 2024 and 2023 and grants receivable of \$488,140 and \$904,438 at June 30, 2024 and 2023.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Contributions are defined as voluntary, nonreciprocal transfers. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a 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 Statements of Activities as net assets released from restrictions.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. As such, the Organization is exempt from State and Federal income taxes. The Internal Revenue Service has determined that the Organization is other than a private foundation.

Uncertain Tax Positions - Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization’s tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. As of June 30, 2024, the Organization’s tax returns generally remain subject to examination by major tax jurisdictions for the last three years.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses - The costs of providing programs and other activities have been summarized on a functional and natural basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Office supplies	Utility of expenditure
Professional fees	Utility of expenditure

Disclosure of Subsequent Events - Management has evaluated subsequent events through September 28, 2026, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the balance sheet date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

NOTE 2 - CREDIT RISK

The Organization maintains cash accounts in financial institutions which insure deposits up to \$250,000 with the Federal Deposit Insurance Corporation ("FDIC"). As of June 30, 2024, the aggregate cash balance on deposit at the financial institutions used by the Organization exceeded the federally insured limit by \$505,314.

NOTE 3 - RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Statements of Financial Position that sum to the total of the same such amounts shown in the Statements of Cash Flows.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 99,964	\$ 253,786
Cash restricted for soil management expenditures	<u>751,086</u>	<u>464,563</u>
Total cash, cash equivalents, and restricted cash shown in the Statements of Cash Flows	<u>\$ 851,050</u>	<u>\$ 718,349</u>

HAMDEN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - GRANTS RECEIVABLE

Grants receivable consist of \$488,140 and \$904,438 due from CT Department of Energy and Environmental Protection as of June 30, 2024 and 2023, respectively.

NOTE 5 - NOTE RECEIVABLE

In April 2021 the Organization sold its property and equipment assets to a third-party. The proceeds were paid with cash and a note payable of \$950,000 accruing interest at a rate of 4.5%. The first principal payment of \$475,000 plus accrued interest was due and paid in April 2022 and the second was due in September 2022. During the fiscal year ended June 30, 2023, the second installment of \$475,000 along with accrued interest was collected.

NOTE 6 - RELATED PARTY TRANSACTIONS

From time to time, the Organization will have transactions with New Colony Development Corporation ("New Colony"), which is a company related through common management. These transactions consist of cash advances and repayments, as well as payments of bills on behalf of one another typically as cash flow assistance. As of June 30, 2024 and 2023, the Organization had amounts due from New Colony Development Corporation of \$0 and \$42,943, respectively presented as due from related party in the Statements of Financial Position. During the year ended June 30, 2024, the Organization made a contribution to New Colony in the amount of \$88,000. Additionally, the amounts owed from New Colony were written off in the amount of \$49,538.

The Organization also engages Community Resource Management LLC, a company owned by the Organization's initial executive director, in consulting services. The total amount of services provided in 2024 and 2023 was \$36,675 and \$80,291, respectively, of which \$0 and \$8,113 is included in accounts payable and accrued expenses as of June 30, 2024 and 2023, respectively. The Organization hired a new Executive Director during the year ended June 30, 2024 and consulting services from this individual totaled \$15,736.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION **NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - AVAILABILITY OF FINANCIAL ASSETS

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 99,964	\$ 253,786
Cash restricted for soil management expenditures	751,086	464,563
Grants receivable	488,140	904,438
Restricted certificate of deposit	<u>-</u>	<u>546,670</u>
Total financial assets	<u>1,339,190</u>	<u>2,169,457</u>
Less amounts not available to be used within one year:		
Cash restricted for soil management expenditures	751,086	464,563
Restricted certificate of deposit	<u>-</u>	<u>546,670</u>
	<u>751,086</u>	<u>1,011,233</u>
Financial Assets Available to Meet General		
Expenditures Over the Next Twelve Months	<u><u>\$ 588,104</u></u>	<u><u>\$ 1,158,224</u></u>

The Organization plans to have sufficient financial assets to meet obligations as they come due. The operations of the Organization are such that all work performed is in relation to grant and award agreements, resulting in all obligations incurred being collectible for reimbursement from the related federal, state, or other grantors in accordance with the grant or award agreements. It is policy for the Organization to keep much of its restricted funds in low-risk certificates of deposit which earn interest regularly and automatically renew upon maturity.

NOTE 8 - SOIL MANAGEMENT COMMITMENT

During the fiscal year ended June 30, 2017, the Organization had begun management of the Soil Management Fund. The fund, which consists of \$2 million of state funding, was passed through the Town of Hamden. As projects arise on the properties remediated by the Organization, owners can request funding to offset environmental issues identified. The funding is maintained in various bank accounts (checking, money market, certificate of deposit) which have been identified as restricted on the Statements of Financial Position as of June 30, 2024 and 2023. During the years ended June 30, 2024 and 2023, interest on the soil management fund has been \$7,401 and \$8,907, respectively and is included in interest income on the Statements of Activities and Changes in Net Assets.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LEASE COMMITMENTS

In May 2021, the Organization began renting office space in Hamden, Connecticut under a one year rental agreement at the rate of \$300 per month through April 2022. The lease was extended through April 2023. During the fiscal year ended June 30, 2023, the lease was extended for an additional 6 months.

Total short term lease expense under this operating lease arrangement was \$2,000 and \$3,600 for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE 10 - DEFERRED REVENUE

Deferred revenue consists of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
CT Department of Energy and Environmental Protection	\$ 928,563	\$ 1,654,290
Town of Hamden	<u>1,457</u>	<u>1,457</u>
Total Deferred Revenue	<u><u>\$ 930,020</u></u>	<u><u>\$ 1,655,747</u></u>

NOTE 11 - CONTRIBUTION

During the year ended June 30, 2023, the Organization contributed \$500,000 to the Community Foundation of Greater New Haven to establish a donor advised fund. The purpose of the fund is to support economic development purposes in the Town of Hamden. Members of the Organization's Board of Directors as well as other business organizations will serve as advisors to the fund.

NOTE 12 – CONCENTRATIONS

During the fiscal years ended June 30, 2024 and 2023, grant revenue was fully generated under Connecticut Department of Energy and Environmental Protection contracts. Concentration risk from governmental agencies historically has not been an issue.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
PROJECT NO. 2021-062-075-10000 (NEWHALL NEIGHBORHOOD
IMPROVEMENTS PHASE II) -
FINANCIAL ASSISTANCE CONTRACT
STATEMENT OF PROGRAM COST
FOR THE PERIOD JANUARY 8, 2021 THROUGH JUNE 30, 2024
(See Independent Auditors' Report on Supplementary Information)

	<u>TOTAL BUDGET</u>	<u>DECD ACTUAL</u>	<u>(OVERRUN) UNDERRUN</u>
Program Expenditures:			
Administration:			
Legal and administrative	\$ 145,000	\$ 107,728	\$ 37,272
Total Administration	<u>145,000</u>	<u>107,728</u>	<u>37,272</u>
Architectural/Engineering:			
General Architectural/Engineering	217,000	196,874	20,126
Total Architectural/Engineering	<u>217,000</u>	<u>196,874</u>	<u>20,126</u>
Construction:			
General Construction	3,620,000	3,486,439	133,561
Total Construction	<u>3,620,000</u>	<u>3,486,439</u>	<u>133,561</u>
Other Development Expenses			
Relocation	18,000	13,337	4,663
Total Other	<u>18,000</u>	<u>13,337</u>	<u>4,663</u>
TOTAL PROGRAM COST	<u><u>\$ 4,000,000</u></u>	<u><u>\$ 3,804,378</u></u>	<u><u>\$ 195,622</u></u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Hamden Economic Development Corporation
Hamden, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hamden Economic Development Corporation (the "Organization") (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Simione Macca & Larrow LLP

Wethersfield, Connecticut
September 28, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Directors
Hamden Economic Development Corporation
Hamden, Connecticut

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Hamden Economic Development Corporation's ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Organization's major state programs for the year ended June 30, 2024. The Organization's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**
(Continued)

**Report on Schedule of Expenditures of State Financial Assistance Required by the State
Single Audit Act**

We have audited the financial statements of the Organization as of and for the year ended June 30, 2024, and have issued our report thereon dated September 28, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Simione Macca & Larrow LLP

Wethersfield, Connecticut
September 28, 2026

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2024

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION			
Newhall Local Design District Cleanup Project	12052-DEP43750-43155	\$ -	\$ 848,696
Passed through the Department of Economic and Community Development Newhall Neighborhood Improvements Phase II	12052-DEP43750-43115	-	1,534,182
Passed through the Town of Hamden Hazardous Waste Disposal Sites	12052-DEP43750-43155	-	733,129
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 3,116,007</u>

See notes to schedule of expenditures of state financial assistance.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2024

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of Hamden Economic Development Corporation under programs of the State of Connecticut for the fiscal year ended June 30, 2024. Various departments and agencies of the State of Connecticut have provided financial assistance through pass-through arrangements with the Town of Hamden and Department of Economic and Community Development in accordance with the General Statutes of the State of Connecticut. These financial assistance programs have funded the remediation, repair, and improvement of environmentally contaminated properties in the Town of Hamden. Because the schedule presents only a selected portion of the operations of Hamden Economic Development Corporation, it is not intended and does not present the financial position, changes in fund balance, changes in net position, or cash flows of Hamden Economic Development Corporation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Hamden Economic Development Corporation conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

HAMDEN ECONOMIC DEVELOPMENT CORPORATION **SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS** **Year Ended June 30, 2024**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' opinion issued:
 Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Type of auditor's opinion issued on compliance for the major programs:
 Unmodified

Any audit findings disclosed that are required to be reported
 in accordance with Section 4-236-24 of the Regulations to the
 State Single Audit Act? _____ yes x no

- The following schedule reflects the major programs included in the audit:

<u>State Grantor/Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
State Department of Energy and Environmental Protection- Passed through the Department of Economic and Community Development		
Newhall Neighborhood Improvements Phase II	12052-DEP43750-43115	\$ 1,534,182
State Department of Energy and Environmental Protection- Passed through the Town of Hamden		
Hazardous Waste Disposal Sites	12052-DEP43750-43155	\$ 733,129

Dollar threshold used to distinguish between type A and type B programs \$ 200,000

HAMDEN ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2024

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated September 28, 2026, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no material weaknesses.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to State Financial Assistance Program.