

**THE CONNECTICUT TRUST FOR
HISTORIC PRESERVATION, INC.**
DBA PRESERVATION CONNECTICUT
CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024



CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

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JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Connecticut Trust for Historic Preservation, Inc.
Hamden, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Connecticut Trust for Historic Preservation, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Connecticut Trust for Historic Preservation, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Connecticut Trust for Historic Preservation, Inc. 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 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 The Connecticut Trust for Historic Preservation, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 auditor's 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 consolidated 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 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 The Connecticut Trust for Historic Preservation, Inc.'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 The Connecticut Trust for Historic Preservation, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the State Single Audit Act, 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of The Connecticut Trust for Historic Preservation, Inc.'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 The Connecticut Trust for Historic Preservation, Inc.'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 The Connecticut Trust for Historic Preservation, Inc.'s internal control over financial reporting and compliance.

Carnegie, Roy and Gould, P.C.

Rocky Hill, Connecticut
December 23, 2024

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 745,774
Investments	1,604,580
Program loan interest receivable	2,250
Program loan notes receivable	250,000
Prepaid expenses	<u>4,184</u>

Total current assets	<u>2,606,788</u>
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PROPERTY AND EQUIPMENT

Building	500,131
Furniture and fixtures	<u>50,281</u>

	550,412
Less accumulated depreciation	<u>(391,251)</u>

Total property and equipment	<u>159,161</u>
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OTHER ASSETS

Investments - donor-restricted for endowment	<u>7,000</u>
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Total other assets	<u>7,000</u>
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TOTAL ASSETS	<u><u>\$ 2,772,949</u></u>
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The accompanying notes are an integral part of the financial statements.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 23,987
Payroll and payroll taxes payable	21,979
Funds held on behalf of another organization	10,100
Refundable advances	220,636
Mortgage note payable, current portion	<u>76,397</u>

Total current liabilities	<u>353,099</u>
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TOTAL LIABILITIES	<u>353,099</u>
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NET ASSETS

Without donor restrictions:	
General operating	41,877
Board-designated	<u>2,124,058</u>
 Total without donor restrictions	 2,165,935
With donor restrictions	<u>253,915</u>

TOTAL NET ASSETS	<u>2,419,850</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,772,949</u></u>
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The accompanying notes are an integral part of the financial statements.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Grant income	\$ 648,061	\$ -	\$ 648,061
Memberships	41,517	-	41,517
Special events, net of direct costs of \$8,481	22,227	-	22,227
Fundraising	254,740	-	254,740
Total support	966,545	-	966,545
Revenue:			
Investment return, net	179,780	-	179,780
Publication sales	6,081	-	6,081
Program service fees	81,096	-	81,096
Program loan interest	7,500	-	7,500
Total revenue	274,457	-	274,457
Total support and revenue	1,241,002	-	1,241,002
EXPENSES			
Program services:			
Preservation services	1,043,649	-	1,043,649
Total program services	1,043,649	-	1,043,649
Supporting services:			
General and administrative	112,848	-	112,848
Fundraising	76,537	-	76,537
Total supporting services	189,385	-	189,385
Total expenses	1,233,034	-	1,233,034
Change in net assets	7,968	-	7,968
NET ASSETS - Beginning of year	2,157,967	253,915	2,411,882
NET ASSETS - End of year	\$ 2,165,935	\$ 253,915	\$ 2,419,850

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

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Preservation Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
PERSONNEL EXPENSES:						
Salaries	\$ 526,099	\$ 526,099	\$ 41,459	\$ 65,038	\$ 106,497	\$ 632,596
Fringe benefits	17,548	17,548	1,383	2,169	3,552	21,100
Payroll taxes	39,005	39,005	3,073	4,822	7,895	46,900
Total personnel expenses	582,652	582,652	45,915	72,029	117,944	700,596
OTHER EXPENSES:						
Consulting	31,678	31,678	-	-	-	31,678
Printing	37,667	37,667	1,634	-	1,634	39,301
Travel	19,099	19,099	-	-	-	19,099
Postage	5,329	5,329	14	-	14	5,343
Professional fees	30,217	30,217	327	513	840	31,057
Bookkeeping services	-	-	42,619	-	42,619	42,619
Telephone	4,766	4,766	2,098	-	2,098	6,864
Insurance	12,038	12,038	949	1,488	2,437	14,475
Office expenses	11,972	11,972	11,572	-	11,572	23,544
Information technology	17,984	17,984	2,526	320	2,846	20,830
Occupancy	5,432	5,432	600	-	600	6,032
Depreciation	17,690	17,690	1,394	2,187	3,581	21,271
Preservation grants	242,387	242,387	-	-	-	242,387
Property maintenance	7,875	7,875	2,010	-	2,010	9,885
Professional development	3,775	3,775	270	-	270	4,045
Technical assistance consultancy	12,309	12,309	-	-	-	12,309
Meetings and conferences	779	779	920	-	920	1,699
Cost of direct benefits to donors netted in revenue	-	-	-	8,481	8,481	8,481
Total other expenses	460,997	460,997	66,933	12,989	79,922	540,919
Total expenses	1,043,649	1,043,649	112,848	85,018	197,866	1,241,515
Less cost of direct benefits to donors netted in revenue	-	-	-	(8,481)	(8,481)	(8,481)
Total functional expenses	\$ 1,043,649	\$ 1,043,649	\$ 112,848	\$ 76,537	\$ 189,385	\$ 1,233,034

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

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 7,968
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	21,271
Unrealized and realized gain on investments	(142,352)
Granting of forgiveness of amounts due from CT Trust for Historic Preservation Revolving Fund, Inc.	29,807
Increase (decrease) in cash arising from changes in assets and liabilities:	
Grants receivable	144,500
Prepaid expenses	(63)
Accounts payable	15,597
Payroll and payroll taxes payable	5,061
Grants payable	(27,300)
Refundable advances	144,089

NET CASH PROVIDED BY OPERATING ACTIVITIES 198,578

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(4,059)
Proceeds from sale of investments	249,560
Purchase of investments	(421,298)

NET CASH USED IN INVESTING ACTIVITIES (175,797)

NET INCREASE IN CASH 22,781

CASH - BEGINNING OF YEAR 722,993

CASH - END OF YEAR \$ 745,774

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

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 – ORGANIZATION

The Connecticut Trust for Historic Preservation, Inc. (the Trust) was organized in September 1975 as a Connecticut nonprofit corporation. In October 2019, the Trust began using the “Doing Business As” (DBA) name of Preservation Connecticut. The Trust interacts with local preservation groups and individuals as well as with statewide organizations to encourage, advocate and facilitate historic preservation throughout Connecticut.

The Trust maintains a membership base of approximately 1,750 and publishes a bi-monthly newsletter, “Connecticut Preservation News,” with a circulation of approximately 2,500.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Trust is required to present a statement of cash flows.

Revenue and Support With Donor Restrictions and Without Donor Restrictions

Contributions received are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is 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 are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions, Grants, and Donated Services

Membership dues are recognized as unconditional contributions.

Grants are accounted for on the accrual basis and are typically conditional contributions. Grant revenue, for cost-reimbursement grants, is recognized as eligible costs are incurred. Receivables are recognized to the extent costs have been incurred, but not reimbursed. Conversely, a liability (refundable advances) is recorded when grant advances exceed eligible costs.

Donated services performed by outside parties are recorded as revenue and an expense in the period in which the services are donated.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from Contracts with Customers

Any consideration received in excess of contract revenue recognized results in a contract liability balance for that contract, while revenue recognized in excess of consideration received results in a balance receivable for that contract. Performance obligations typically consist of the requirement to transfer a service over time or services at points in time. Revenue from publication sales is recognized at the point in time that a sale takes place, the time that the publication is transferred to the customer. The price of advertising, featured in publications, is allocated over the number of publication periods in which the advertising is to be featured. Revenue from advertising for a particular publication period is recognized at the point in time when that publication is made available for sale. For program service fees and other program income, the price is allocated amongst the contract deliverables, which typically include providing services over the contract period or reaching certain milestones related to consulting projects. Revenue is recognized as the service periods transpire, milestones are reached, or deliverables are transferred to the customer, accordingly. Once revenue is recognized, a corresponding decrease in contract liability or increase in amounts receivable from customers is recognized depending on whether payment has been received from the customer. Any direct and recoverable costs incurred to fulfill a contract in excess of contract expenses recognized results in a contract asset balance for that contract. Contract expenses are allocated and recognized in the same manner that contract revenue is, consistent with the satisfaction of performance obligations.

Revenue from contracts with customers consisted of the following for the year ended June 30, 2024:

Publication sales	\$ 6,081
Program service fees	<u>81,096</u>
	<u><u>\$ 87,177</u></u>

There were no contract asset balances, including contracts receivable (accounts receivable), or contract liability balances at June 30, 2024, or at the beginning of the fiscal year ending on that date.

Functional Expenses

Expenses are charged directly to program or supporting services categories based on specific identification. Certain categories of expenses, such as personnel expenses and insurance, are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. These expenses are allocated primarily on the basis of estimates of salary-weighted staff time and effort. These estimates are updated at least annually.

Cash

For purposes of the cash flow statement, the Trust considers all funds in checking and savings accounts at financial institutions as cash.

The Trust considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalent balances maintained at financial banking institutions or brokerage firms are insured by the Federal Deposit Insurance Company (FDIC) or the Securities Investor Protection Corporation (SIPC) up to \$250,000. At June 30, 2024, the Trust had total uninsured balances of \$245,871 at financial banking institutions.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Accounts and Grants Receivable

Receivables are stated at the amount that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The Organization has determined that no allowance for credit losses is needed at June 30, 2024, and there was no allowance activity for the year ended June 30, 2024.

Property and Equipment

Property and equipment are recorded at cost. The Trust capitalizes all expenditures for property and equipment in excess of \$5,000. Donations of property and equipment are recorded as support at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

	<u>Years</u>
Building	40
Furniture and equipment	5 – 10

Easements

Over the last several years, the Trust has received contributions of easements on historically significant houses or buildings. These easements are recorded at their appraised values when received, if the value is determinable. The easements owned by the Trust are not transferable; therefore, the value of the easement is written off during the year of receipt.

Income Taxes

The Trust is an organization exempt from income taxes as defined in Internal Revenue Code Section 501(c)(3) and has not been classified as a private foundation. Accordingly, the financial statements do not reflect a provision for income taxes.

The Trust accounts for uncertainty in income taxes in accordance with the *Income Tax* topic of the FASB Accounting Standards Codification. The Trust files a federal income tax return, which represents the major tax jurisdiction of the Trust. Federal tax years ending June 30, 2021, through June 30, 2024, remain open for audit under the various statutes of limitations.

Advertising Costs

The Trust on occasion uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Principles of Consolidation

In November of 2013, Historic Properties, LLC was formed, with the Trust as its sole member. Historic Properties, LLC was formed to acquire and distribute historic tax credits. The accompanying consolidated financial statements include the accounts of the Trust and Historic Properties, LLC. Material intercompany balances and transactions have been eliminated in consolidation.

Short-term Leases

The Trust elected to not recognize right-of-use assets and lease liabilities for short-term leases. A short-term lease is a lease that has a term of 12 months or less as of the commencement date and does not have a purchase option that the Trust is reasonably certain to exercise. The lease payments for a short-term lease are expensed on a straight-line basis over the lease term.

NOTE 3 – INVESTMENTS AND FAIR VALUE

Investments in marketable securities with readily determinable fair values are carried at fair value. The Trust measures financial instruments in accordance with the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification (FASB ASC 820), which establishes a hierarchy for inputs used in measuring 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 fair value hierarchy includes three levels of inputs used to measure fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Significant observable inputs other than quoted prices in active markets.

Level 3 - Unobservable inputs which may include the Trust's own data and assumptions.

Investments at June 30, 2024, were comprised of the following:

	Cost	Fair Value (Level 1)	Cumulative Unrealized Gain/(Loss)
US Treasury Bills	\$ 138,513	\$ 141,333	\$ 2,820
Corporate bonds	451,019	439,768	(11,251)
Equities	760,996	967,335	206,339
Mutual funds / closed end funds / UITs / ETPs	68,600	63,144	(5,456)
	<u>\$ 1,419,128</u>	<u>\$ 1,611,580</u>	<u>\$ 192,452</u>

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 – INVESTMENTS AND FAIR VALUE *(Continued)*

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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Bills, Corporate bonds and equities: Determined by the closing bid price on the last business day of the fiscal year.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Trust at year end.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust 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 value measurement at the reporting date.

NOTE 4 – GRANTS PAYABLE

The Trust gives grants to various organizations or individuals throughout the year. An applicant applies for a grant for a specific purpose related to historic preservation and when approved, receives partial payment, usually 50% of the grant, or full payment of the grant, depending on the terms of the grant. Typically, the promised grant is conditional (that is, there is a barrier that the recipient must overcome before the recipient is entitled to the assets transferred or promised). Examples of conditions include matching requirements, spending requirements, or completion of certain project milestones. The Trust has a right to refund of amounts associated with conditions that the recipient has not met. If the Trust makes payments to the grant recipient before a promised grant becomes unconditional, the Trust reports the assets transferred as a refundable advance (an asset) until the recipient substantially meets the conditions or the Trust removes the right to refund. In the case of conditional grants, the Trust recognizes expenses when the recipient substantially meets the conditions associated with that portion of the grant; the Trust also recognizes a corresponding decrease in the refundable advance asset or increase in grants payable. Once the recipient meets the conditions of the grant, the recipient submits a report to the Trust to receive any remaining payment. At June 30, 2024, \$0 was payable to recipients of the grants, and there were no refundable advance assets. At June 30, 2024, the balance of grants approved but with conditions not met and payments not made, amount to \$15,000. These do not meet the criteria for recognition in the financial statements but are still acknowledged as a commitment.

NOTE 5 – BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

At June 30, 2024, Board-designated net assets without donor restrictions were available for the following purposes:

Reserve	\$ 603,258
Endowment	1,517,715
Revolving fund	<u>3,085</u>
	<u>\$ 2,124,058</u>

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6 – MORTGAGE NOTE PAYABLE

At June 30, 2024, the mortgage note payable of \$76,397 is not interest-bearing and was due and payable on February 1, 2021. The balance is classified as a current liability accordingly on the Statement of Financial Position. The note is secured by the Eli Whitney Boarding House, the Trust's main building. It is management's understanding that the lender does not plan to collect the balance unless the Boarding House is sold.

NOTE 7 – PRIVATE AND TOWN GRANTS

At June 30, 2024, the Trust was the recipient of and used the following non-state grants:

The 1772 Foundation	\$ 149,000
Science Park Development Corporation	10,664
Anderson-Paffard Foundation	5,000
Connecticut Humanities Council, Inc.	15,397
Edward F Gerber Fellowship	23,000
MLE Foundation	<u>15,000</u>
	<u><u>\$ 218,061</u></u>

NOTE 8 – STATE GRANTS

At June 30, 2024, the Trust was the recipient of and used the following direct and indirect grants from the State of Connecticut:

Connecticut Department of Economic and Community Development	\$ 430,000
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NOTE 9 – COMMITMENTS

The Trust leases the lot on which their building is located from the South Central Connecticut Regional Water Authority under an operating lease with an annual rental payment of \$1. The lease expires in 2188.

During the fiscal year ended June 30, 2017, the Trust entered into a 15-year contract to allow a solar panel electrical system to be installed on the roof of its building. The Trust is required to purchase all energy generated by the system.

As a requirement of a Historic Restoration Fund grant provided by the Connecticut Department of Economic and Community Development State Historic Preservation Office (SHPO), the Trust's board voted in April of 2022 to provide SHPO with a preservation restriction on the Trust's boardinghouse. The restriction is placed on the entire legal parcel and the duration of the restriction is five years. Under the terms of the restriction, the Trust agreed not to perform work on the property other than routine maintenance without SHPO permission, agreed to ensure reasonable opportunities for the public to view the property, and agreed not to change the use of the property without prior consent from SHPO.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 – ECONOMIC DEPENDENCE

A large concentration of revenue and grants receivable is comprised of State grants received from, or passed through, the State of Connecticut Department of Economic and Community Development. A large concentration of revenue is also comprised of private grants received from The 1772 Foundation. Any loss or significant reduction in these grants could have significant impact on the Trust's financial position and program services. Notes receivable at June 30, 2024, include \$250,000 due from one party.

NOTE 11 – REVOLVING FUND AND NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024, the Trust had a balance of notes receivable of \$250,000 related to loans made for the revolving loan fund program. Of the \$250,000, \$246,915 is included in the Statement of Financial Position as a component of net assets with donor restrictions. This amount represents the unspent portion of grant proceeds that were received from the 1772 Foundation and Community Foundation for Greater New Haven with the condition that the proceeds be spent on the revolving fund. The remaining \$3,085 of the combined assets related to the revolving loan fund program is reflected in the Statement of Financial Position as a component of Board-Designated Net Assets Without Donor Restrictions. This represents a voluntary segregation of net assets without donor restrictions by the Trust's Board and can be reversed by the Trust's Board at any time.

Also included in net assets with donor restrictions is \$7,000 of the Trust's endowment (Note 16).

NOTE 12 – CONNECTICUT TRUST FOR HISTORIC PRESERVATION REVOLVING FUND, INC.

The Connecticut Trust for Historic Preservation Revolving Fund, Inc. ("The Revolving Fund Entity") is a Connecticut nonprofit corporation and is considered to be a public charity for tax purposes. This entity's purpose is to help finance and transform underutilized historic buildings and assets that contribute to community character and have the potential to serve as catalysts for economic development. While the Revolving Fund Entity and the Trust may coincidentally have several common board members at times, they are two distinct corporations and do not meet the criteria for consolidation according to accounting principles generally accepted in the United States of America. During the year ended June 30, 2024, the Trust granted forgiveness of the \$29,807 due from the Revolving Fund Entity. The total balance due to the Trust from the Revolving Fund Entity at June 30, 2024, is \$0, accordingly.

NOTE 13 – SIMPLE IRA PLAN

The Trust sponsors a SIMPLE IRA defined contribution plan for its employees. All employees are eligible to participate in the Plan. The Trust matches each employee's contribution dollar-for-dollar up to 3% of the employee's compensation during the Plan Year. Plan costs recognized during the fiscal year amounted to \$13,254.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 14 – NOTES RECEIVABLE

Notes receivable, net of the allowance for uncollectible amounts, consisted of the following at June 30, 2024:

	Notes Receivable	Allowance	Net of Allowance
Revolving loan fund program	\$ 250,000	\$ -	\$ 250,000
	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>

Notes receivable at June 30, 2024, for the revolving loan fund program, are due from one party. One note has a principal balance of \$200,000 receivable while the other has a principal balance of \$50,000 receivable. The notes require interest-only payments at a rate of 3% through December 31, 2024, at which point the balance of the loans and any unpaid accrued interest will be due in-full.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Trust's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual, donor-imposed, or board-designated restrictions within one year of the statement of financial position date. The Trust is supported partially by donor-restricted contributions. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Trust must maintain sufficient resources to meet its responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year of June 30, 2024.

Cash and cash equivalents	\$ 745,774
Investments	1,604,580
Program loan interest receivable	2,250
Program loan notes receivable	<u>250,000</u>
Financial assets at year-end	2,602,604
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted for revolving fund (Note 11)	(246,915)
Donor-restricted for endowment (Note 11)	(7,000)
Board-designated for various purposes (Note 5)	<u>(2,124,058)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 224,631</u>

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (*Continued*)

As part of the Trust's liquidity management, it invests cash in excess of daily requirements into multiple brokerage accounts. These accounts contain highly-liquid investments as well as cash and cash equivalents. All board-designated amounts represent a voluntary segregation of net assets without donor restrictions by the Trust's Board and can be reversed by the Trust's Board at any time.

NOTE 16 - ENDOWMENT FUND

The Trust's endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Trust has interpreted the State of Connecticut's Uniform Prudent Management of Institutional Funds Act (CT UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Trust retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual 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 retained in perpetuity are subject to appropriation for expenditure by the Trust in a manner consistent with the standard of prudence prescribed by CT UPMIFA. In accordance with CT UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 the Trust, and (7) the Trust's investment policies.

Investment Objectives

The Endowment's investment objective is to preserve and enhance the Endowment's total value so that distributions from the Endowment can provide a reliable and growing revenue stream to support the Trust's operations. The Board recognizes that a reasonable and appropriate level of investment risk is necessary to achieve this objective.

Regular evaluations are necessary to determine whether the objectives set forth herein are being met. The Finance Committee will review Endowment performance quarterly with the Board. The Endowment's performance, net of all fees, will be evaluated relative to the performance of the following benchmarks:

- The endowment spending benchmark: A rate of return equal to five percentage points in excess of the rate of inflation as measured by the Personal Consumption Expenditures Price Index. The endowment spending benchmark permits the Board to compare the Endowment's actual return with an inflation-adjusted, pro forma spending rate (5%).
- The investment policy benchmark: The sum of each asset class's benchmark multiplied by its respective Endowment asset allocation target. The investment policy benchmark permits the Board to compare the Endowment's actual performance to a proxy of roughly comparable investment characteristics and risk.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 16 - ENDOWMENT FUND *(Continued)*

Spending Policy

The Endowment spending rate shall be approved by the Board. The Finance Committee shall recommend to the Board a spending rate annually as part of the budget process. The purpose of endowment spending is to provide a stable source of revenue to support the Trust's operations. The Board will set a spending rate consistent with the objective of preserving and enhancing the Endowment's total value.

Composition of and changes in endowment net assets for the year ended June 30, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 1,331,407	\$ 7,000	\$ 1,338,407
Investment return, net	177,687	-	177,687
Amounts added through board designation	8,621	-	8,621
Endowment net assets, end of year	<u>\$ 1,517,715</u>	<u>\$ 7,000</u>	<u>\$ 1,524,715</u>
Original value of donor-restricted gifts	\$ -	\$ 7,000	\$ 7,000
Accumulations subject to future appropriation	<u>1,517,715</u>	<u>-</u>	<u>1,517,715</u>
	<u>\$ 1,517,715</u>	<u>\$ 7,000</u>	<u>\$ 1,524,715</u>

NOTE 17 – HISTORIC PRESERVATION TAX CREDIT VOUCHER PROGRAM

From time-to-time the Trust, through its company, Historic Properties LLC, engages in agency transactions in which it acts as an intermediary between Eversource Energy and historic preservation rehabilitation projects, fulfilling its mission by providing critical gap financing to ensure the rehabilitation of historic sites.

In these transactions, the Trust receives a cash transfer from Eversource equal to the value of an historic preservation tax credit voucher issued to the historic preservation rehabilitation project by the Connecticut Department of Economic and Community Development State Historic Preservation Office. Eversource receives the tax credit voucher. The cash transfer from Eversource is immediately transferred to the historic preservation project to which the voucher was issued in return for a note issued to the Trust by the project. The Trust does not expect the notes to be collectible and, accordingly, measures the fair value of the notes at \$-0-.

The Trust receives fee revenue from the historic preservation rehabilitation project. The Trust has received fee revenue averaging 1% of the value of the historic tax preservation credit vouchers intermediated.

As of June 30, 2024, the face value of outstanding notes issued to the Trust and associated with this program is \$69,753,595.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 18 – NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The main objective of the Update is to provide financial statement users with more decision useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in the Update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for the Organization's annual financial statements starting in the year ended June 30, 2024, and the Trust has implemented the Update accordingly in its financial statements and accounting policies. The Trust adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Trust's financial statements but did update the language in “Significant Accounting Policies” regarding how the allowance for credit losses is determined for receivables.

NOTE 19 – SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through December 23, 2024, which is the date the financial statements were available to be issued. There are no material subsequent events which require recognition or disclosure.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

STATE GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
Connecticut Department of Economic and Community Development			
Statutory Grant - C.G.S. Sec. 4-66aa / CIA-24-1	12060-ECD46800-90454	\$ -	\$ 380,000
Preservation Toolkit	11000-ECD000004840000-1002	-	50,000
Total Historic Preservation Activities Grants		-	430,000
Total Department of Economic and Community Development		-	430,000
TOTAL STATE FINANCIAL ASSISTANCE		\$ -	\$ 430,000

See accompanying notes to the schedule.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of The Connecticut Trust for Historic Preservation, Inc., (the “Trust”) 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 grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of the Trust, it is not intended and does not present the financial position, changes in net assets, or cash flows of the Trust.

The accounting policies of the Trust 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

Expenditures reported on the Schedule of Expenditures of State Financial Assistance are presented 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.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

Finding 2023-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During the audit of the consolidated financial statements, the auditor noted several areas that were materially misstated. There is a material weakness in internal control over financial reporting, accordingly.

Recommendation: We recommend that management review the Trust's internal controls over financial reporting, including those related to financial close and reporting, and take the necessary action to better ensure that similar material misstatements are prevented, or detected and corrected, on a timely basis.

Current Status: The finding has been corrected.



CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

**INDEPENDENT AUDITOR'S 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 Trustees of
The Connecticut Trust for Historic Preservation, Inc.

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 consolidated financial statements of The Connecticut Trust for Historic Preservation, Inc. ("the Trust", a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Trust'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 entity'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 the 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's consolidated 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 consolidated 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Carnegie, Roy and Gensel, P.C."

Rocky Hill, Connecticut
December 23, 2024



CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE
SINGLE AUDIT ACT**

To the Board of Trustees of
The Connecticut Trust for Historic Preservation, Inc.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited The Connecticut Trust for Historic Preservation, Inc. (the "Trust")'s 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 Trust's major state programs for the year ended June 30, 2024. the Trust's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Trust complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Trust 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 Trust's compliance with the compliance requirements referred to above.

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 Trust's state programs.

Auditor's 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 Trust'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 Act 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 Trust'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 Trust'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 Trust'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 Trust's internal control over compliance. Accordingly, no such opinion is expressed.

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 Auditor's 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.

Carnegie, Roy and Gend, P.C.

Rocky Hill, Connecticut
December 23, 2024

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

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

Unmodified Opinion

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 ☒ no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Connecticut Department of Economic and Community Development Statutory Grant - C.G.S. Sec. 4-66aa / CIA-24-1 - Historic Preservation Activities Grants	12060-ECD46800-90454	\$ 380,000
Dollar threshold used to distinguish between type A and type B programs:		\$ 100,000

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS

There are no such findings related to the financial statements.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no such findings or questioned costs related to state financial assistance.