

**THE CONNECTICUT TRUST FOR
HISTORIC PRESERVATION, INC.
DBA PRESERVATION CONNECTICUT
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONTENTS

JUNE 30, 2021

	PAGE
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 17
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18 - 19
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	20 - 22
Schedule of Expenditures of State Financial Assistance	23
Notes to Schedule of Expenditures of State Financial Assistance	24
Schedule of Findings and Questioned Costs	25 - 26



CARNEY, ROY AND GERROL, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Connecticut Trust for Historic Preservation, Inc., as of June 30, 2021, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the State Single Audit Act (C.G.S. Sections 4-230 to 4-236) is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 13, 2021, 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 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.



Rocky Hill, Connecticut
December 13, 2021

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	842,346
Investments		1,230,095
Accounts receivable		8,750
Program loan interest receivable		375
Grants receivable, net of allowance for doubtful account of \$2,000		232,000
Due from CT Trust for Historic Preservation Revolving Fund, Inc.		29,430
Prepaid expenses		4,722
Total current assets		<u>2,347,718</u>

PROPERTY AND EQUIPMENT

Building		500,911
Furniture and fixtures		37,132
Leased equipment		4,001
		<u>542,044</u>
Less accumulated depreciation		<u>(346,424)</u>
Total property and equipment		<u>195,620</u>

OTHER ASSETS

Investments - donor-restricted for endowment		7,000
Notes receivable		250,000
Total other assets		<u>257,000</u>

TOTAL ASSETS	\$	<u><u>2,800,338</u></u>
---------------------	-----------	-------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	37,017
Payroll and payroll taxes payable		18,646
Grants payable		216,625
Funds held on behalf of another organization		10,100
Refundable advances		42,533
Mortgage note payable, current portion		76,397
Total current liabilities		<u>401,318</u>

TOTAL LIABILITIES		<u>401,318</u>
--------------------------	--	----------------

NET ASSETS

Without donor restrictions:		
General operating		147,346
Board-designated		1,997,759
Total without donor restrictions		<u>2,145,105</u>
Total with donor restrictions		<u>253,915</u>

TOTAL NET ASSETS		<u>2,399,020</u>
-------------------------	--	------------------

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>2,800,338</u></u>
---	-----------	-------------------------

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Grant income	\$ 732,000	\$ -	\$ 732,000
Grant - PPP (loan forgiveness)	90,000	-	90,000
Memberships	49,344	-	49,344
Special events, net of direct costs of \$2,337	16,681	-	16,681
Fundraising	<u>458,449</u>	<u>-</u>	<u>458,449</u>
Total support	<u>1,346,474</u>	<u>-</u>	<u>1,346,474</u>
Revenue:			
Investment return, net	192,628	-	192,628
Publication sales	8,212	-	8,212
Realized loss on disposal of property and equipment	(103)	-	(103)
Program service fees	111,807	-	111,807
Program loan interest	7,500	-	7,500
Other program income	<u>580</u>	<u>-</u>	<u>580</u>
Total revenue	<u>320,624</u>	<u>-</u>	<u>320,624</u>
Total support and revenue	<u>1,667,098</u>	<u>-</u>	<u>1,667,098</u>
EXPENSES			
Program services:			
Preservation services	<u>786,772</u>	<u>-</u>	<u>786,772</u>
Total program services	<u>786,772</u>	<u>-</u>	<u>786,772</u>
Supporting services:			
General and administrative	111,799	-	111,799
Fundraising	<u>66,850</u>	<u>-</u>	<u>66,850</u>
Total supporting services	<u>178,649</u>	<u>-</u>	<u>178,649</u>
Total expenses	<u>965,421</u>	<u>-</u>	<u>965,421</u>
Change in net assets	701,677	-	701,677
NET ASSETS - Beginning of year	<u>1,443,428</u>	<u>253,915</u>	<u>1,697,343</u>
NET ASSETS - End of year	<u>\$ 2,145,105</u>	<u>\$ 253,915</u>	<u>\$ 2,399,020</u>

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, 2021

	Preservation Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
PERSONNEL EXPENSES:						
Salaries	\$ 391,186	\$ 391,186	\$ 31,234	\$ 52,909	\$ 84,143	\$ 475,329
Fringe benefits	32,050	32,050	2,570	4,323	6,893	38,943
Payroll taxes	32,136	32,136	3,264	6,181	9,445	41,581
Total personnel expenses	455,372	455,372	37,068	63,413	100,481	555,853
OTHER EXPENSES:						
Consulting	10,640	10,640	-	-	-	10,640
Printing	37,004	37,004	-	-	-	37,004
Travel	5,028	5,028	-	-	-	5,028
Postage	7,528	7,528	516	277	793	8,321
Professional fees	25,283	25,283	20,928	-	20,928	46,211
Bookkeeping services	-	-	36,025	-	36,025	36,025
Telephone	6,353	6,353	1,497	-	1,497	7,850
Insurance	9,502	9,502	762	1,282	2,044	11,546
Office expenses	7,595	7,595	7,303	-	7,303	14,898
Information technology	15,471	15,471	2,585	-	2,585	18,056
Occupancy	2,994	2,994	608	-	608	3,602
Depreciation and amortization	13,925	13,925	1,117	1,878	2,995	16,920
Preservation grants	144,325	144,325	-	-	-	144,325
Property maintenance	3,820	3,820	-	-	-	3,820
Interest	-	-	3,321	-	3,321	3,321
Bad debt expense	2,000	2,000	-	-	-	2,000
Technical assistance consultancy	39,782	39,782	-	-	-	39,782
Meetings and conferences	150	150	69	-	69	219
Total other expenses	331,400	331,400	74,731	3,437	78,168	409,568
Total Expenses	\$ 786,772	\$ 786,772	\$ 111,799	\$ 66,850	\$ 178,649	\$ 965,421

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets \$ 701,677

Adjustments to reconcile changes in net assets to net cash
provided by operating activities:

Depreciation and amortization 16,920

Unrealized and realized loss (gain) on investments (184,255)

Discounted mortgage note interest 3,090

Bad debt expense 2,000

Grant - PPP (loan forgiveness) (90,000)

Realized loss (gain) on disposal of property and equipment 103

Increase (decrease) in cash arising from changes in assets and liabilities:

Accounts receivable (8,750)

Grants receivable (178,456)

Prepaid expenses 771

Accounts payable 21,143

Payroll and payroll taxes payable 7,677

Grants payable 148,403

Funds held on behalf of another organization 10,100

Refundable advances (44,875)

NET CASH PROVIDED BY OPERATING ACTIVITIES 405,548

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment (17,701)

Purchase of investments (434,991)

NET CASH USED IN INVESTING ACTIVITIES (452,692)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of mortgage notes (4,484)

Payments of capital lease obligations (655)

Payments received for CT Trust for Historic Preservation Revolving Fund, Inc. 50,500

NET PROVIDED BY FINANCING ACTIVITIES 45,361

NET DECREASE IN CASH (1,783)

CASH - BEGINNING OF YEAR 844,129

CASH - END OF YEAR \$ 842,346

SUPPLEMENTAL CASH FLOWS INFORMATION:

Cash paid for interest \$ 231

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, 2021

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, 2021

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, 2021:

Publication sales	\$ 8,212
Program service fees	111,807
Other program income	580
	<u>\$ 120,599</u>

There were no contract asset balances or contract liability balances at June 30, 2021, or at the beginning of the fiscal year ending on that date. Contracts receivable (accounts receivable) consisted of the following related to the year ended June 30, 2021:

Contract receivables - beginning	\$ -
Contract receivables - ending	\$ 8,750

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.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, 2021, the Trust had total uninsured balances of \$485,149 at financial banking institutions.

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. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The valuation allowances for accounts and grants receivable at June 30, 2021, are \$-0- and \$2,000, respectively.

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.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Mortgage Costs

Legal fees associated with the refinancing of debt were capitalized and were being amortized over 15 years using the straight-line method. Amortization expense for the year ended June 30, 2021, were \$152.

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, 2018, through June 30, 2021, remain open for audit under the various statutes of limitations.

Advertising Costs

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

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.

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.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

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

Investments at June 30, 2021, were comprised of the following:

	Cost	Fair Value (Level 1)	Cumulative Unrealized Gain/(Loss)
Corporate bonds	\$ 369,890	\$ 373,638	\$ 3,748
Equities	651,243	816,028	164,785
Mutual funds / closed end funds / UITs / ETPs	<u>45,354</u>	<u>47,429</u>	<u>2,075</u>
	<u><u>\$1,066,487</u></u>	<u><u>\$1,237,095</u></u>	<u><u>\$170,608</u></u>

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, 2021.

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 throughout the year. An organization applies for a grant for a specific purpose and when approved, receives a partial payment, usually 50-90% of the award. Once the purpose of the grant is fulfilled, the organization submits a report to the Trust to receive the remaining payment. At June 30, 2021, \$216,625 was payable to recipients of the grants.

NOTE 5 – BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

At June 30, 2021, Board-designated net assets without donor restrictions were available for the following purposes:

Reserve	\$ 708,189
Endowment	1,257,055
Revolving fund	<u>32,515</u>
	<u><u>\$ 1,997,759</u></u>

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 6 – MORTGAGE NOTE PAYABLE

At June 30, 2021, the mortgage note payable of \$76,397 is not interest-bearing and was due and payable on February 1, 2021. 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. The balance is technically still due and is classified as a current liability accordingly on the Statement of Financial Position.

NOTE 7 – PRIVATE AND TOWN GRANTS

At June 30, 2021, the Trust was the recipient of and used the following non-state grants:

The 1772 Foundation	\$ 110,000
MLE Foundation	<u>10,000</u>
	<u>\$ 120,000</u>

NOTE 8 – STATE GRANTS

At June 30, 2021, 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	\$ 612,000
--	------------

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.

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 Connecticut Trust for Historic Preservation, Inc.'s financial position and program services. Notes receivable at June 30, 2021, includes \$250,000, net of allowance for uncollectible amounts, due from one party. A large concentration of revenue during the year ended June 30, 2021, is comprised of a single bequest of \$363,987; this amount was fully collected by the end of the fiscal year and no additional amounts are expected from this source.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 11 – REVOLVING FUND AND NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021, the Trust had a balance of notes receivable of \$250,000 related to loans made for the revolving loan fund program and a balance of \$29,430 due from an entity related to the revolving loan fund program. Combined, these amount to \$279,430. Of the \$279,430, \$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 \$32,515 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 18).

NOTE 12 – CAPITAL LEASE

Leased equipment of \$4,001, on the Statement of Financial Position, represents a copy machine recorded under a capital lease. Accumulated depreciation associated with this leased asset at June 30, 2021, amounts to \$4,001, and depreciation expense related to this leased asset was \$584 for the year then ended. This depreciation expense is included with depreciation expense related to owned assets on the Statement of Functional Expenses. There are no further lease payments required as of June 30, 2021.

NOTE 13 – 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, 2021, the Trust received payments of \$50,500 on behalf of the Revolving Fund Entity. The total balance due to the Trust from the Revolving Fund Entity at June 30, 2021, is \$29,430.

NOTE 14 – 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 \$10,655.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 15 – NOTES RECEIVABLE

Notes receivable, net of the allowance for uncollectible amounts, consisted of the following at June 30, 2021:

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

Notes receivable at June 30, 2021, 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 16 – 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, 2021.

Cash and cash equivalents	\$ 842,346
Investments	1,230,095
Accounts receivable	8,750
Program loan interest receivable	375
Grants receivable, net of allowance for doubtful account of \$2,000	232,000
Due from CT Trust for Historic Preservation Revolving Fund, Inc.	<u>29,430</u>
Financial assets at year-end	2,342,996
Less those unavailable for general expenditures within one year, due to:	
Board-designated for various purposes, net of \$3,085 outstanding loans made (Note 5)	<u>(1,994,674)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 348,322</u>

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.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 17 – NEW ACCOUNTING PRONOUNCEMENT

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 introduces a comprehensive, principles-based framework and five-step decision-making model for revenue recognition related to sales and exchange transaction contracts. ASU 2014-09 would have been effective during the year ended June 30, 2020. However, the FASB issued ASU 2020-05 in June of 2020, which deferred the effective date for one year. The Trust has implemented the updates in its financial statements and accounting policies. The effect on the financial statements is the disclosure of the “Revenue from Contracts with Customers” section of Note 2. There is no net effect on beginning net asset balances.

NOTE 18 - 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 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 CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 18 - ENDOWMENT FUND (Continued)

- 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.

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. 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, 2021 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 633,230	\$ 7,000	\$ 640,230
Investment return, net	192,628	-	192,628
Amounts added through board designation	431,197	-	431,197
Endowment net assets, end of year	<u>\$ 1,257,055</u>	<u>\$ 7,000</u>	<u>\$ 1,264,055</u>
Original value of donor-restricted gifts	\$ -	\$ 7,000	\$ 7,000
Accumulations subject to future appropriation	1,257,055	-	1,257,055
	<u>\$ 1,257,055</u>	<u>\$ 7,000</u>	<u>\$ 1,264,055</u>

NOTE 19 – COVID-19 PANDEMIC

The COVID-19 outbreak in the United States during 2020 and 2021 has caused business disruption through mandated and voluntary limitations on businesses, individuals and not-for-profit entities. The disruption is currently expected to be temporary. However, there is considerable uncertainty around the duration and extent of the future impact on the Trust, and the future financial impact cannot be reasonably estimated at this time.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 20 – PPP LOAN

On April 27, 2020, the Trust obtained a Paycheck Protection Program (PPP) loan in the amount of \$89,850. The loan had a fixed interest rate of 1 % and was not secured by collateral. The PPP is part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and was amended by the Paycheck Protection Program Flexibility Act (PPPF Act). Under the PPP, the loan would be partially or fully forgiven if the Trust maintained its workforce and salaries and used the loan proceeds for qualifying amounts of payroll, rent, mortgage interest, or utilities costs during the Covered Period. The PPPF Act increases the Covered Period from 8 weeks to 24 weeks after the loan was issued and amends the loan repayment deferral from six months to until the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to the lender; any borrowers who fail to apply for forgiveness within 10 months of the last day of the Covered Period must make loan repayments beginning on that date. The full balance of the loan, \$89,850, and the previous interest accrued, \$150, have been forgiven by the lender; total forgiveness amounted to \$90,000 and is recognized as a grant on the Statement of Activities for the year ended June 30, 2021.

NOTE 21 – 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, 2021, the face value of notes issued to the Trust associated with this program is \$54,048,685.

NOTE 22 – LITIGATION

The Trust is a defendant in a lawsuit that alleges a breach of contract. An estimate of the potential loss cannot be made, as the lawsuit is in its initial stages. The Trust intends to vigorously defend its position. The Trust's insurance coverage could potentially mitigate some of the potential losses.

NOTE 23 – SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through December 13, 2021, which is the date the financial statements were available to be issued. There are no material subsequent events which require recognition or disclosure.



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 Directors
The Connecticut Trust for Historic Preservation, Inc.
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 The Connecticut Trust for Historic Preservation, Inc. ("the Trust") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 December 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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.



Rocky Hill, Connecticut
December 13, 2021



CARNEY, ROY AND GERROL, P.C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited The Connecticut Trust for Historic Preservation, Inc. ("the Trust")'s compliance with the types of compliance requirements described 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, 2021. The Organization's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Trust's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Trust's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Trust's compliance.

Opinion on Each Major State Program

In our opinion, the Trust complied, in all material respects, with the types of 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, 2021.

Report on Internal Control over Compliance

Management of the Trust is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Trust's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Trust's 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

We have audited the financial statements of The Connecticut Trust for Historic Preservation, Inc., as of and for the year ended June 30, 2021, and have issued our report thereon dated December 13, 2021, which contained an unmodified opinion on those financial statements. 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 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.

Carnegie, Roy and Davis, P.C.

Rocky Hill, Connecticut
December 13, 2021

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

<u>STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE</u>	<u>STATE GRANT PROGRAM CORE-CT NUMBER</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>	<u>EXPENDITURES</u>
Connecticut Department of Economic and Community Development			
Historic Preservation Activities	12060-ECD46840-90455	44,325	\$ 612,000
TOTAL STATE FINANCIAL ASSISTANCE		\$ 44,325	\$ 612,000

See accompanying notes to the schedule.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.
NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2021

The accompanying schedule of expenditures of state financial assistance includes state grant activity of The Connecticut Trust for Historic Preservation, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2021. Various departments and agencies of the State of Connecticut, including the Connecticut Department of Economic and Community Development, have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the historic preservation program of The Connecticut Trust for Historic Preservation, Inc.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of The Connecticut Trust for Historic Preservation, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit 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.

The following is a summary of the more significant policies relating to the aforementioned grant programs.

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.

2 - SUBRECIPIENTS

Of the state financial assistance expenditures presented in the Schedule, The Trust provided state awards to subrecipients in the form of preservation grants. The total of these grants was \$44,325 as reflected in the Schedule.

THE CONNECTICUT TRUST FOR HISTORIC PRESERVATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report 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 report 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		
Historic Preservation Activities	12060-ECD46840-90455	\$ 612,000
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 (Continued)

FOR THE YEAR ENDED JUNE 30, 2021

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 13, 2021, 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 internal control over financial reporting and on compliance did not indicate any reportable significant deficiencies or material weakness.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- Our report on compliance did not indicate any reportable instances of noncompliance.