

HISTORIC DEERFIELD, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)



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HISTORIC DEERFIELD, INC.
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(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Historic Deerfield, Inc.
Deerfield, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Historic Deerfield, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited Historic Deerfield, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



CliftonLarsonAllen LLP
West Hartford, Connecticut
November 18, 2025

HISTORIC DEERFIELD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 223,596	\$ 157,295
Accounts Receivable, Net	3,069	6,842
Contributions and Grants Receivable, Net	255,958	153,402
Inventories, net	223,675	202,489
Prepaid Expenses	16,403	44,155
Total Current Assets	722,701	564,183
OTHER ASSETS		
Investments	74,117,922	70,749,720
Contributions Receivable, Net	272,377	22,482
Property and Equipment, Net	14,323,355	14,687,970
Other Assets	178,963	187,931
Total Other Assets	88,892,617	85,648,103
Total Assets	\$ 89,615,318	\$ 86,212,286
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,095,689	\$ 1,169,699
Deferred Revenue	69,511	64,766
Current Portion of Long-Term Debt	83,212	217,651
Total Current Liabilities	1,248,412	1,452,116
Long-Term Debt, Net	-	823,294
Total Liabilities	1,248,412	2,275,410
NET ASSETS		
Without Donor Restrictions	40,355,402	39,436,294
With Donor Restrictions	48,011,504	44,500,582
Total Net Assets	88,366,906	83,936,876
Total Liabilities and Net Assets	\$ 89,615,318	\$ 86,212,286

See accompanying Notes to Financial Statements.

HISTORIC DEERFIELD, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING REVENUE				
Museum Admissions	\$ 94,641	\$ -	\$ 94,641	\$ 92,002
Other Museum Related Income	39,893	-	39,893	22,856
Academic Program Income	-	-	-	96
Museum Store Sales	180,698	-	180,698	203,151
Deerfield Inn	3,593,111	-	3,593,111	3,709,319
Rent	382,912	-	382,912	348,942
Gifts and Grants	525,490	1,214,609	1,740,099	9,070,262
Spending Policy Used for Operations	1,856,629	1,553,875	3,410,504	2,596,146
Miscellaneous Income	506	-	506	9,120
Net Assets Released from Restrictions	2,470,885	(2,470,885)	-	-
Total Operating Revenue	<u>9,144,765</u>	<u>297,599</u>	<u>9,442,364</u>	<u>16,051,894</u>
EXPENSES				
Program Services:				
Museum Operations	2,357,104	-	2,357,104	2,160,280
Education	1,209,640	-	1,209,640	1,050,610
Visitor Services	269,077	-	269,077	291,822
Deerfield Inn	3,669,445	-	3,669,445	3,892,730
Rentals and Special Events	462,511	-	462,511	489,830
Total Program Services	<u>7,967,777</u>	<u>-</u>	<u>7,967,777</u>	<u>7,885,272</u>
Supporting Services:				
General and Administrative	1,451,921	-	1,451,921	1,570,558
Fundraising	411,235	-	411,235	392,996
Total Expenses	<u>9,830,933</u>	<u>-</u>	<u>9,830,933</u>	<u>9,848,826</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(686,168)	297,599	(388,569)	6,203,068
OTHER CHANGES IN NET ASSETS				
Gift of Non-Financial Asset	-	-	-	1,927,500
Investment Income, Net	3,575,103	4,761,860	8,336,963	8,321,275
Change in Value of Split Interest Agreements	-	(1,093)	(1,093)	(1,264)
Gain on Disposal of Equipment	-	-	-	200
Spending Policy Used for Operations	(1,856,629)	(1,553,875)	(3,410,504)	(2,596,146)
Total Other Changes in Net Assets	<u>1,718,474</u>	<u>3,206,892</u>	<u>4,925,366</u>	<u>7,651,565</u>
CHANGES IN NET ASSETS RELATED TO COLLECTION ITEMS				
Deaccessions	4,429	6,431	10,860	154,068
Collections	(117,627)	-	(117,627)	(83,008)
Total Changes in Net Assets Related to Collection Items	<u>(113,198)</u>	<u>6,431</u>	<u>(106,767)</u>	<u>71,060</u>
CHANGE IN NET ASSETS	919,108	3,510,922	4,430,030	13,925,693
Net Assets - Beginning of Year	<u>39,436,294</u>	<u>44,500,582</u>	<u>83,936,876</u>	<u>70,011,183</u>
NET ASSETS - END OF YEAR	<u>\$ 40,355,402</u>	<u>\$48,011,504</u>	<u>\$88,366,906</u>	<u>\$83,936,876</u>

See accompanying Notes to Financial Statements.

HISTORIC DEERFIELD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	Program Services					Support Services				2025 Total	2024 Total
	Museum Operations	Education	Visitor Services	Deerfield Inn	Rentals and Special Events	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Salaries and Benefits	\$ 1,302,683	\$ 862,752	\$ 132,749	\$ 1,908,729	\$ 204,219	\$ 4,411,132	\$ 851,811	\$ 269,086	\$ 1,120,897	\$ 5,532,029	\$ 5,418,761
Professional Services	214,889	82,883	4,969	100,360	46,465	449,566	124,526	11,900	136,426	585,992	596,220
Information Technology	51,680	27,869	8,306	42,187	10,791	140,833	86,643	51,149	137,792	278,625	263,748
Marketing and Promotional	58	-	-	74,815	-	74,873	163,254	-	163,254	238,127	248,597
Other Operating Expenses	168,662	76,189	11,814	250,781	5,756	513,202	143,445	76,459	219,904	733,106	799,681
Supplies and Materials	24,667	25,016	2,912	107,828	7,167	167,590	6,731	709	7,440	175,030	172,273
Cost of Goods Sold	-	-	91,775	723,071	-	814,846	-	-	-	814,846	878,378
Property and Occupancy	315,013	31,810	10,468	323,735	108,223	789,249	32,927	488	33,415	822,664	829,379
Depreciation	279,452	103,121	6,084	137,939	79,890	606,486	42,584	1,444	44,028	650,514	641,789
Total Expenses	\$ 2,357,104	\$ 1,209,640	\$ 269,077	\$ 3,669,445	\$ 462,511	\$ 7,967,777	\$ 1,451,921	\$ 411,235	\$ 1,863,156	\$ 9,830,933	\$ 9,848,826

See accompanying Notes to Financial Statements.

HISTORIC DEERFIELD, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,430,030	\$ 13,925,693
Adjustments to Reconcile Change in Net Assets to Net Cash provided (used) by operating activities:		
Net Accessions	117,627	83,008
Net Deaccessions	(10,860)	(154,068)
Depreciation	650,514	641,789
Donated Securities	-	(188,109)
Gift of Non-Financial Asset	-	(1,927,499)
Net Realized and Unrealized Gains on Investments	(6,828,891)	(6,985,467)
Gain on Disposal of Property and Equipment	-	(200)
Contributions Restricted for Long-Term Investment	(897,433)	(1,093,407)
Amortization of Debt Issuance Costs	50,558	51,476
Change in Allowance for Uncollectible Contributions Receivable	5,511	(2,132)
Change in Contributions Receivable Discount	35,404	(138)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	3,773	24,425
Contributions and Grants Receivable	(194,597)	321,505
Inventories	(21,186)	37,882
Prepaid Expenses and Other Assets	27,752	6,487
Other Assets	8,968	(24,767)
Accounts Payable and Accrued Expenses	(74,010)	99,762
Deferred Revenue	4,745	9,896
Net Cash Provided (Used) by Operating Activities	(2,692,095)	4,826,136
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	8,771,353	5,135,621
Purchase of Investments	(5,310,664)	(10,923,403)
Purchases of Property and Equipment	(285,899)	(476,252)
Net Accessions	(117,627)	(83,008)
Net Deaccessions	10,860	154,068
Net Cash Provided (Used) by Investing Activities	3,068,023	(6,192,974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investments	698,664	1,214,224
Principal Payments on Long-Term Debt	(1,008,291)	(220,903)
Net Cash Provided (Used) by Financing Activities	(309,627)	993,321
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66,301	(373,517)
Cash and Cash Equivalents - Beginning of Year	157,295	530,812
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 223,596	\$ 157,295
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	\$ 26,769	\$ 58,195

See accompanying Notes to Financial Statements.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 1 NATURE OF OPERATIONS

Nature of Organization

Historic Deerfield, Inc. (the Organization) is a museum of early New England history, architecture and decorative arts located in Deerfield, Massachusetts. It maintains and operates buildings as exhibition areas open to the general public and conducts a broad range of educational programs and auxiliary operations which include the Deerfield Inn and Museum Store.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative financial information. The statement of activities presents information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited financial statements as of and for the year ended June 30, 2024, from which the summarized information was derived.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. Accordingly, the financial statements present net assets, revenues, gains, and losses in separate classes based on the existence or absence of donor-imposed restrictions or on those imposed by operation of law. Accordingly, the net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations or to those imposed by law. Net assets without donor restrictions may be designated for specific purposes by action of the Organization's board of trustees (the board) or may otherwise be limited by contractual agreements with outside parties. Any portion of board-designated funds may be expended with the approval of the board.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors or to those imposed by law. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of assets with perpetual donor restrictions permit the Organization to use, for general or specific purposes, all or part of the net investment return, if any. The change in net assets with donor restrictions is impacted primarily by contributions with time and donor constraints and endowment investment income which has yet to be appropriated for expenditure.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include cash held at depository institutions and cash equivalents with an original maturity of 90 days or less when acquired, and exclude those that are reported in the Organization's investment accounts. Cash and cash equivalents are maintained with a national bank and it is the Organization's policy to monitor this bank's financial strength on an ongoing basis. At times, such amounts may exceed federally insured limits. The Organization had no cash equivalents at June 30, 2025 and 2024.

Contributions Receivable

Contributions receivable represent unconditional promises to give that are recognized in the period in which the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are discounted at a rate commensurate with the risk involved. Accretion of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. On a periodic basis, the Organization evaluates its contributions receivable and establishes an allowance for credit losses, when deemed necessary, based on its history of past write-offs, collections, and current credit conditions.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) and net realizable value.

Investments

Investments are carried at fair value (see Note 6). Realized and unrealized gains and losses and investment income, net of external investment expenses, are recorded in the statement of activities as net assets without donor restrictions unless restricted by donor stipulation or by operation of law. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses include the Organization's gains and losses on investments bought and sold as well as held during the year. Investment oversight is provided by the Organization's Investment Committee.

Board-designated and donor-restricted endowment funds are invested on a pooled basis. Funds are added to or withdrawn from the pool at their share of the then current fair value of the pooled assets. Income and realized and unrealized gains and losses from the funds are distributed based on each fund's proportionate share of the investment pool's fair market value, which is determined on a quarterly basis.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. Depreciation is computed using the straight-line method over their estimated useful lives, which range from 3 to 60 years. Gains or losses realized from the disposition of property and equipment are recognized in the period they are incurred. Major renewals, additions, betterments in excess of \$1,000 are capitalized. Routine repairs and maintenance to existing facilities are expensed as incurred.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As a result of its review, the Organization does not believe that any material impairment currently exists related to its long-lived assets.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as support without donor restriction. Promises to give that are scheduled to be received after the fiscal year end are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with perpetual donor restrictions. Conditional promises to give are not recognized until the conditions upon which they depend are substantially met. Conditions are donor stipulations that include a barrier that must be overcome and a right of return of assets. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statements of financial position. There were no such transfers included in deferred revenue at June 30, 2025 and 2024.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash or other assets which must be used to acquire or construct long-lived assets are reported as support with donor restrictions until the assets are placed in service, at which time they are reclassified to net assets without donor restrictions.

Deerfield Inn

The Organization derives revenue from operating the Deerfield Inn. Hotel revenue is recognized based on room occupancy, and revenue from meals is recognized as incurred.

Collections

In accordance with the practice generally followed by museums, the Organization does not carry its collections on the statement of financial position. Since items acquired for collections by purchase are not capitalized, the cost of those acquisitions is reported as decreases in net assets in the statement of activities.

The proceeds from items disposed of are reported as increases in the appropriate class of net assets in the statement of activities. Contributed works of art, historical treasures, and similar assets that are not added to the collection are reported as assets held for sale on the statements of financial position at their fair values at the date of the gift.

Advertising

Advertising costs are expensed as incurred and totaled \$222,758 and \$203,292 for the years ended June 30, 2025 and 2024, respectively.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit organization generally exempt from income taxes other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The Organization has also received classification as a Massachusetts public charity. Management has determined that certain activities of the Deerfield Inn are subject to unrelated business income.

GAAP requires the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken any uncertain tax positions that more than likely would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2025 there are no uncertain positions taken or expected to be taken that would be recognition of a tax liability (or asset) or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statement of functional expenses. These costs include direct and indirect costs that have been allocated among the program and support services.

Direct Expenses and Personnel Costs – The bulk of expenses are directly charged to individual functions. Employees typically work in a single function and their salaries and benefits are directly charged to their functions.

Utilities and Property Taxes – In general, buildings are separately metered for utilities. These are therefore directly charged to the departments. Notable exceptions are Marketing and Development, which are located in the Administration Building, are not charged for utilities. For the museum houses which also have attached rental units, utilities are allocated proportionally. Property taxes are charged for specific facilities and expensed similarly to utilities.

Depreciation – Capital items are purchased by individual departments and depreciation is charged to the specific department that purchased/uses the capital items.

Insurance – Insurance (property, liability, auto, cyber, flood, etc.) is allocated to departments based upon pre-determined percentages.

Workers' Compensation Insurance – This is allocated based on the staff size within each function.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through November 18, 2025, which represents the date the financial statements were available to be issued.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, are due to be collected as follows:

	2025	2024
Within One Year	\$ 302,653	\$ 194,586
One to Five Years	327,682	27,367
Total	<u>630,335</u>	<u>221,953</u>
Less: Unaccreted Discount (1.45%)	(38,921)	(3,517)
Less: Allowance for Doubtful Pledges	(63,079)	(42,552)
Total	<u>528,335</u>	<u>175,884</u>
Less: Current Portion, Net	255,958	153,402
Total Long-Term Portion, Net	<u>\$ 272,377</u>	<u>\$ 22,482</u>

As of June 30, 2025 and 2024, approximately 23% and 76% of contributions receivable were from members of the board, respectively.

NOTE 4 INVENTORIES

Inventories consist of the following at June 30:

	2025	2024
Museum Store Inventory	\$ 151,278	\$ 142,247
Publications	193,011	193,011
Food	40,372	37,273
Liquor	32,025	22,969
Total	<u>416,686</u>	<u>395,500</u>
Less: Reserve for Obsolete Inventory	193,011	193,011
Total Inventories	<u>\$ 223,675</u>	<u>\$ 202,489</u>

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 5 INVESTMENTS

Investments at June 30 consist of the following:

	2025	2024
Equities	\$ 44,501,372	\$ 41,592,337
Mutual Funds	17,793,986	17,182,776
Private Equities	10,824,948	10,704,649
Cash Equivalents	997,616	1,269,958
Total	\$ 74,117,922	\$ 70,749,720

Investments, in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that change in the fair market value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 6 FAIR VALUE MEASUREMENTS

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs which are used to measure fair value into three broad levels, as described below:

Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3 – Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The fair value hierarchy does not attempt to measure the quality of the investments.

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

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

Equities – Valued at the closing price reported on the active market on which the individual securities are traded. Equities include domestic and foreign common stock, master limited partnerships and exchange-traded funds.

Mutual Funds and Money Funds – Valued at the net asset value (NAV) of the shares held on the last trading day of the fiscal year, which is the basis for transactions at that date. Mutual funds include equity and fixed income funds.

Convertible Preferred Stock and Rights and Warrants – Valued using quoted prices in active markets for similar securities (Level 2).

Private Equities – Investments in private equities represent direct investments in limited partnerships. Their estimated fair values are reported at NAV per share of the investment or its equivalent, as a practical expedient for a fair value measurement, if (a) the underlying investment manager’s calculation of NAV is fair value based, and (b) the NAV has been calculated by the fund manager as of the Organization’s fiscal year-end. If the reported NAV is not as of the Organization’s year-end or is not fair value based, the Organization will adjust the NAV if deemed necessary. If the Organization determines it is not practicable to calculate an adjusted NAV, the practical expedient will not be utilized, and other valuation methodologies will be used.

There have been no changes in the valuation methodologies used at June 30, 2025 and 2024. Management believes that the investment values are fairly stated.

The following tables summarize the Organization’s assets that are accounted for at fair value within the fair value hierarchy as of June 30:

June 30, 2025	Total	Fair Value Measurements at Report Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (a)
Equities:					
Domestic Common Stock	\$ 26,864,834	\$ 26,864,834	\$ -	\$ -	\$ -
Foreign Common Stock	3,779,220	3,779,220	-	-	-
Master Limited Partnerships	978,943	978,943	-	-	-
Exchange-Traded Funds	12,878,375	12,878,375	-	-	-
Mutual Funds:					
Equities	6,046,677	6,046,677	-	-	-
Fixed Income	11,747,309	11,747,309	-	-	-
Private Equities	10,824,948	-	-	-	10,824,948
Cash Equivalents	997,616	997,616	-	-	-
Total Assets Measured at Fair Value	<u>\$ 74,117,922</u>	<u>\$ 63,292,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,824,948</u>

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NOTES TO FINANCIAL STATEMENTS
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(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

June 30, 2024	Total	Fair Value Measurements at Report Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (a)
Equities:					
Domestic Common Stock	\$ 25,623,926	\$ 25,623,926	\$ -	\$ -	\$ -
Foreign Common Stock	3,951,690	3,951,690	-	-	-
Master Limited Partnerships	812,428	812,428	-	-	-
Exchange-Traded Funds	11,204,293	11,204,293	-	-	-
Mutual Funds:					
Equities	5,885,506	5,885,506	-	-	-
Fixed Income	11,297,270	11,297,270	-	-	-
Private Equities	10,704,649	-	-	-	10,704,649
Cash Equivalents	1,269,958	1,269,958	-	-	-
Total Assets Measured at Fair Value	<u>\$ 70,749,720</u>	<u>\$ 60,045,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,704,649</u>

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2025 and 2024.

Additional information regarding investments that report fair value based on NAV per share or unit as of June 30, is as follows:

		Fair Value	Unfunded Commitments	Redemption Terms	Redemption Notice Period
June 30, 2025					
Private Equity Funds	(a)	<u>\$ 10,824,948</u>	<u>\$ 6,163,282</u>	Not Allowed	N/A
June 30, 2024					
Private Equity Funds	(a)	<u>\$ 10,704,649</u>	<u>\$ 5,798,420</u>	Not Allowed	N/A

- a) This category includes investments in a variety of private equity funds that invest in companies in all stages of development.

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NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2025	2024
Land	\$ 661,062	\$ 661,062
Land Improvements	535,906	531,306
Buildings and Improvements	24,391,139	24,107,296
Equipment, Furniture, and Fixtures	3,385,471	3,249,597
Vehicles	357,128	357,128
Books and Manuscripts	601,104	597,790
Total	<u>29,931,810</u>	<u>29,504,179</u>
Less: Accumulated Depreciation	15,710,595	15,060,015
Total	<u>14,221,215</u>	<u>14,444,164</u>
Construction in Progress	102,140	243,806
Total Property and Equipment, Net	<u>\$ 14,323,355</u>	<u>\$ 14,687,970</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$650,514 and \$641,789, respectively. Construction in progress represents the costs of certain capital projects not yet placed into service as of June 30, 2025 and 2024.

NOTE 8 MARGIN LOAN

The Organization is a party to a margin account agreement (the Agreement) with the investment brokerage which serves as the custodian for the Organization's investment portfolio. The Agreement is collateralized by the Organization's investments. Interest will be charged at an annual rate based on the average outstanding loan balance, and will range between 1.75% to 0.75%, as defined. There was no outstanding loan balance at June 30, 2025 and 2024. The Organization did not incur an interest expense during the years ended June 30, 2025 and 2024.

NOTE 9 LONG-TERM DEBT

Collections Installment Agreement

In November 2015, the Organization received a contribution representing one-half of a donor's collection of antiques (the Collection). The Collection had a total value of approximately \$4,000,000 at the time of donation. Accordingly, the Organization recorded contribution revenue of \$2,000,000 at that time. The Organization paid \$13,000 and entered into an installment note payable (the Installment Agreement) in the amount of \$1,987,000 with the donor for the purchase of the remaining half of the collection of antiques.

Payments were being made in annual interest-free installments ranging from \$58,500 to \$128,500, with final payment made in December 2024. The Installment Agreement had been discounted using a rate of 5.32%, the rate which would be expected to be obtained from another lender.

HISTORIC DEERFIELD, INC.
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NOTE 9 LONG-TERM DEBT (CONTINUED)

Construction Loan

On December 22, 2020, the Organization entered into a Loan and Security Agreement (the Loan) with TD Bank, N.A. (the Bank) for a nonrevolving line of credit and term note (the Note) in the amount of up to \$1,090,000. The proceeds of the Note were used for the renovation of certain real property. On September 22, 2021, the then outstanding balance of \$877,671 was amortized over period of 171 months and the Organization began making monthly principal and interest payments of \$5,828. The Loan was secured by a separate brokerage account, the balance of which must at all times be equal to at least two times the outstanding principal balance. Such balance was measured semi-annually. During 2025, the remaining balance of the loan was paid in full.

Greylock FCU Loan

On February 28, 2023, the Organization entered into a promissory note with Greylock Federal Credit Union (FCU) for amounts not forgiven through the PPP loan program in the amount of \$280,822. An initial payment in the amount of \$11,638 was due on February 28, 2023, which comprised of both principal and accrued interest incurred. Monthly principal and interest payments of \$6,972 commenced on March 29, 2023, and are payable for a period of 41 months. Interest is incurred monthly at 1%.

The outstanding balances of the Organization's long-term debt at June 30, 2025 and 2024 was as follows:

	2025	2024
Collection Installment Agreement	\$ -	\$ 128,500
Less: Unamortized Discount	-	(50,559)
Total	-	77,941
Construction Loan	-	797,432
Total	-	875,373
Greylock FCU	83,212	165,572
Total	83,212	1,040,945
Less: Current Portion, Net of Unamortized Discount	(83,212)	(217,651)
Total Long-Term Debt, Net	\$ -	\$ 823,294

NOTE 10 NET ASSETS

Net assets without donor restrictions at June 30 are as follows:

	2025	2024
Undesignated	\$ (5,408,864)	\$ (4,928,789)
Investment in Property and Equipment, Net	14,323,355	14,687,970
Board-Designated Endowment	31,440,911	29,677,113
Total Net Assets Without Donor Restrictions	\$ 40,355,402	\$ 39,436,294

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NOTES TO FINANCIAL STATEMENTS
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NOTE 10 NET ASSETS (CONTINUED)

Net assets with donor restrictions for the years ended June 30, are as follows:

June 30, 2025	Time or Purpose	Perpetual	Total
Purchase of Paintings and Antiques	\$ 226,649	\$ 1,091,819	\$ 1,318,468
Conservation	182,982	242,348	425,330
Academic and Fellowship	147,708	833,778	981,486
General Operations	12,046,929	20,347,596	32,394,525
Other Special Purposes	8,271,652	1,326,445	9,598,097
Historic Preservation	597,937	655,329	1,253,266
Visitor Engagement	132,696	61,460	194,156
Curatorial Support	1,814,350	31,826	1,846,176
Total	<u>\$ 23,420,903</u>	<u>\$ 24,590,601</u>	<u>\$ 48,011,504</u>

June 30, 2024	Time or Purpose	Perpetual	Total
Purchase of Paintings and Antiques	\$ 19,643	\$ 992,092	\$ 1,011,735
Conservation	152,605	242,348	394,953
Academic and Fellowship	68,839	349,303	418,142
General Operations	9,870,231	19,952,679	29,822,910
Other Special Purposes	8,514,487	1,342,917	9,857,404
Historic Preservation	467,536	655,329	1,122,865
Visitor Engagement	111,698	61,460	173,158
Curatorial Support	1,669,589	29,826	1,699,415
Total	<u>\$ 20,874,628</u>	<u>\$ 23,625,954</u>	<u>\$ 44,500,582</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors are as follows for the years ended June 30:

	2025	2024
General Operations	\$ 1,215,639	\$ 1,290,278
Other Special Purposes	1,210,959	878,326
Purchase of Paintings and Antiques	22,825	17,554
Conservation	13,348	2,800
Academic and Fellowship	-	17,489
Curatorial Support	8,114	27,129
Visitor Engagement	-	3,444
Total	<u>\$ 2,470,885</u>	<u>\$ 2,237,020</u>

HISTORIC DEERFIELD, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT

The Organization's endowment consists of donor-restricted funds and funds designated by the board of trustees (the board) to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the Commonwealth of Massachusetts version of the Uniform Prudent Management of Institutional Funds Act (MAUPMIFA). The board has interpreted MAUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual donor restrictions a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with time or purpose donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MAUPMIFA.

In accordance with MAUPMIFA, the Organization 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 the inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The Organization's investment policies.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of June 30, is as follows:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 31,440,911	\$ -	\$ 31,440,911
Donor-Restricted Endowment Funds:			
Original Gift Amounts Held in Perpetuity	-	24,196,119	24,196,119
Accumulated Gains and Income			
Available for Appropriation by the Board	-	15,012,560	15,012,560
Total	<u>\$ 31,440,911</u>	<u>\$ 39,208,679</u>	<u>\$ 70,649,590</u>
June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 29,677,113	\$ -	\$ 29,677,113
Donor-Restricted Endowment Funds:			
Original Gift Amounts Held in Perpetuity	-	23,580,492	23,580,492
Accumulated Gains and Income			
Available for Appropriation by the Board	-	12,236,216	12,236,216
Total	<u>\$ 29,677,113</u>	<u>\$ 35,816,708</u>	<u>\$ 65,493,821</u>

Changes in endowment net assets consisted of the following for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance - June 30, 2023	\$ 20,716,661	\$ 31,520,189	\$ 52,236,850
Contributions	6,677,979	1,414,224	8,092,203
Investment Return, Net	3,335,038	4,425,876	7,760,914
Appropriations	(1,052,565)	(1,543,581)	(2,596,146)
Balance - June 30, 2024	<u>29,677,113</u>	<u>35,816,708</u>	<u>65,493,821</u>
Contributions	138,095	698,664	836,759
Investment Return, Net	3,482,332	4,247,182	7,729,514
Appropriations	(1,856,629)	(1,553,875)	(3,410,504)
Balance - June 30, 2025	<u>\$ 31,440,911</u>	<u>\$ 39,208,679</u>	<u>\$ 70,649,590</u>

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or MAUPMIFA requires the Organization to retain as a fund of perpetual duration. The Organization has interpreted MAUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2025 and 2024.

Return Objectives, Risk Parameters, and Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board, the endowment assets are invested in a manner that is intended to enhance or preserve the long-term purchasing power while assuming a moderate level of investment risk. The Organization calculates the spending rate based on a 12-quarter rolling average through the end of the third quarter of the previous fiscal year, to correspond with its operating budget cycle. The percentage of appropriation approved by the board was 5.25% for 2025 and 2024. The board, at its discretion, may approve special appropriations from the board-designated endowment. There were no special appropriations for the year ended June 30, 2025 and 2024.

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NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditure as of June 30 are as follows:

	2025	2024
Total Assets - End of Year	\$ 89,615,318	\$ 86,212,286
Less: Nonfinancial Assets:		
Inventories	(223,675)	(202,489)
Prepaid Expenses	(16,403)	(44,155)
Property and Equipment, Net	(14,323,355)	(14,687,970)
Other Assets	(178,963)	(187,931)
Financial Assets - End of Year	<u>74,872,922</u>	<u>71,089,741</u>
Less: Those Unavailable for General Expenditure Over The Next 12 months:		
Noncurrent Portion of Contributions Receivable, Net - Other	-	(636)
Contributions Receivable, Net - Perpetual	(397,020)	(47,179)
Board-Designated Endowment	(31,440,911)	(29,677,113)
Donor-Restricted Endowment	(39,208,679)	(35,816,708)
Expected to be Available for General Expenditure Over the next 12 months:		
Appropriated Earnings from Endowment	3,061,240	2,710,265
Total	<u>\$ 6,887,552</u>	<u>\$ 8,258,370</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, equities, and fixed income securities. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Additionally, the Organization has board-designated endowment funds of approximately \$31 million. Although the Organization does not intend to spend from this endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated funds could be made available, if necessary. However, both the board-designated and donor-restricted endowment funds include investments in illiquid private equity interests that could reduce the total investments which could be made available (see Notes 5 and 6 for investment-related disclosures).

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NOTE 13 CONTRIBUTION OF NONFINANCIAL ASSETS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized in the statement of activities included:

	Revenue Recognized 2025	Revenue Recognized 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated Property	<u>\$ -</u>	<u>\$ 127,500</u>	General Use	None	Donated property is valued at the estimated fair value based on appraisal.
Donated Property	<u>\$ -</u>	<u>\$ 1,800,000</u>	Residential Use	Residential Use	Donated property is valued at the estimated fair value based on appraisal.

NOTE 14 RETIREMENT PLANS

The Organization has a defined contribution pension plan. Employees with two or more years of service and who are at least 21 years of age may elect to participate in the plan. For those who elect to participate, the Organization matches employee contributions of 6% of their salary. Employer contributions vest immediately. Expense under the plan for the years ended June 30, 2025 and 2024 were approximately \$139,812 and \$119,111, respectively.

The Organization also maintains a nonqualified 457(b) deferred compensation plan for eligible employees. As of June 30, 2025 and 2024, assets that fully fund the related liabilities of \$125,626 and \$134,494, respectively, are included in other assets, and the related liability is included in accrued liabilities in the accompanying statements of financial position. Deferred compensation expense for both years ended June 30, 2025 and 2024 was \$17,500.



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