

**THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2024**  
**(With Summarized Comparative Totals for December 31, 2023)**

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
FINANCIAL STATEMENTS  
December 31, 2024  
(With Comparative Totals for December 31, 2023)

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# GERMAN, VREELAND & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY M. GERMAN, MBA, CPA  
DAVID A. HULSIZER, CPA  
VICTOR MAISANO, CPA  
KEVIN O'CONNOR, MBA, CPA  
RAJESH K. SETHI, CPA, MST

2 RIDGEDALE AVENUE - SUITE 300  
CEDAR KNOLLS, NJ 07927-1119  
(973) 605-2777  
FAX (973) 605-8064  
www.gvacpa.com

MARIA BATTERSHALL, CPA  
ROBERT W. DODDS, CPA\*

RETIRED  
LOUIS T. GERMAN (1923 - 2013)  
CURT L. PALATSKY (1951 - 2018)  
GORDON A. VREELAND

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
The Stickley Museum at Craftsman Farms, Inc.  
Morris Plains, New Jersey

### *Opinion*

We have audited the accompanying financial statements of The Stickley Museum at Craftsman Farms, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 present fairly, in all material respects, the financial position of The Stickley Museum at Craftsman Farms, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Stickley Museum at Craftsman Farms, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the 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 Stickley Museum at Craftsman Farms, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Report on Summarized Comparative Information*

We have previously audited The Stickley Museum at Craftsman Farms, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2025 on our consideration of The Stickley Museum at Craftsman Farms, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Stickley Museum at Craftsman Farms, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Stickley Museum at Craftsman Farms, Inc.'s internal control over financial reporting and compliance.

  
German, Vreeland & Associates, LLP

Cedar Knolls, New Jersey

July 3, 2025

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2024  
(With Summarized Comparative Totals for December 31, 2023)

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 307,067	\$ 340,112
Investments	325,050	356,362
Cash equivalents held for endowment	518,709	500,200
Grants receivable	149,037	535,864
Employee Retention Credit receivable	-	17,400
Inventory, net	26,474	20,446
Fixed assets, net of accumulated depreciation	72,761	93,928
Right-of-use asset, operating lease	5,601	9,087
Security deposits	306	306
Collections	-	-
TOTAL ASSETS	<u>\$ 1,405,005</u>	<u>\$ 1,873,705</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 131,726	\$ 398,646
Accrued expenses	18,243	15,324
Lease liability, operating lease	5,601	9,087
TOTAL LIABILITIES	<u>155,570</u>	<u>423,057</u>
 <u>NET ASSETS</u>		
Without donor restrictions	589,622	675,527
With donor restrictions	659,813	775,121
TOTAL NET ASSETS	<u>1,249,435</u>	<u>1,450,648</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,405,005</u>	 <u>\$ 1,873,705</u>

See accompanying notes.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024  
(With Summarized Comparative Totals for December 31, 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL 2024	TOTAL 2023
REVENUE, GAINS AND OTHER SUPPORT				
Contributions	\$ 92,119	\$ 59,762	\$ 151,881	\$ 191,078
Membership contributions	51,875	-	51,875	48,295
Grants	68,665	26,772	95,437	51,499
Admissions	8,418	-	8,418	5,166
Museum shop sales	51,631	-	51,631	32,972
Special events revenue (net of costs of direct benefits to donors of \$32,633 for 2024 and \$29,618 for 2023)	186,277	-	186,277	194,901
Interest and dividends	29,858	23,008	52,866	37,711
Net unrealized and realized gains on investments	24,866	2,782	27,648	32,860
Program revenue	104,644	-	104,644	107,893
Other income	1,825	-	1,825	16,445
Net assets released from restrictions	227,632	(227,632)	-	-
Total revenue, gains and other support	847,810	(115,308)	732,502	718,820
EXPENSES				
Program services	745,912	-	745,912	1,049,664
Management and general	119,110	-	119,110	124,021
Fundraising	68,693	-	68,693	62,957
Total expenses	933,715	-	933,715	1,236,642
CHANGE IN NET ASSETS	(85,905)	(115,308)	(201,213)	(517,822)
NET ASSETS-Beginning of year	675,527	775,121	1,450,648	1,968,470
NET ASSETS-End of year	\$ 589,622	\$ 659,813	\$ 1,249,435	\$ 1,450,648

See accompanying notes.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2024  
(With Summarized Comparative Totals for December 31, 2023)

	2024			2023	
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES	TOTAL EXPENSES
Salaries and wages	\$ 248,319	\$ 43,732	\$ 39,981	\$ 332,032	\$ 330,323
Payroll taxes	20,162	4,465	4,176	28,803	25,970
Benefits	26,377	5,841	5,464	37,682	28,140
Total salaries and related expenses	294,858	54,038	49,621	398,517	384,433
Restoration, preservation and rehabilitation	335,154	-	-	335,154	673,408
Supplies	11,044	8,845	-	19,889	14,424
Museum shop expenses	24,192	-	-	24,192	15,103
Special events expenses	-	-	12,957	12,957	5,657
Contracted services	8,401	17,390	468	26,259	41,706
Insurance	19,709	3,695	1,232	24,636	24,176
Professional services	2,485	12,344	-	14,829	16,731
Printing	7,068	-	2,298	9,366	6,399
Postage and shipping	295	5,317	-	5,612	4,150
Facilities maintenance	18,958	-	-	18,958	16,279
Telephone and communications	-	9,921	-	9,921	8,789
Professional development	337	1,210	-	1,547	988
Education, conferences and workshops	10,711	-	-	10,711	7,760
Total expenses before depreciation	733,212	112,760	66,576	912,548	1,220,003
Depreciation	12,700	6,350	2,117	21,167	16,639
Total expenses	\$ 745,912	\$ 119,110	\$ 68,693	\$ 933,715	\$ 1,236,642

See accompanying notes.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2024  
(With Summarized Comparative Totals for December 31, 2023)

	2024	2023
CHANGE IN NET ASSETS	\$ (201,213)	\$ (517,822)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	21,167	16,639
Operating lease right-of-use asset	3,486	3,438
Net unrealized and realized (gains) on investments	(27,648)	(32,860)
Change in operating assets and liabilities		
Unconditional promises to give	-	10,100
Grants receivable	386,827	178,807
Employee Retention Credit receivable	17,400	32,500
Inventory	(6,028)	(2,141)
Accounts payable	(266,920)	277,566
Accrued expenses	2,919	954
Contributions restricted to endowment	(18,150)	-
Operating lease liability	(3,486)	(3,438)
Net cash (used in) operating activities	(91,646)	(36,257)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted to endowment	(18,509)	-
Purchase of investments	(31,223)	(312,228)
Proceeds from sale of investments	90,183	318,893
Net cash provided by investing activities	40,451	6,665
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions to endowment	18,150	-
Net cash provided by financing activities	18,150	-
CHANGE IN CASH AND EQUIVALENTS	(33,045)	(29,592)
CASH AND CASH EQUIVALENTS-Beginning of year	340,112	369,704
CASH AND CASH EQUIVALENTS-End of year	\$ 307,067	\$ 340,112
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ -	\$ -

See accompanying notes.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024  
(With Comparative Totals for December 31, 2023)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - The financial statements of The Stickley Museum at Craftsman Farms, Inc. (the “Organization”) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Organization** – The Organization was incorporated on January 4, 1989 to develop, demonstrate, and deepen connections between history, design, lifestyle, and the natural environment, through the preservation of Craftsman Farms and the presentation of the ideals of Gustav Stickley and the Arts and Crafts movement in America. The Organization is located in the Township of Parsippany-Troy Hills, New Jersey. The Organization is supported primarily through donor contributions and grants. During 2015, the Organization changed its legal name from The Craftsman Farms Foundation, Inc. to The Stickley Museum at Craftsman Farms, Inc.

**Tax Status and Incorporation** – The Organization was incorporated under Title 15 of the revised statutes of the State of New Jersey as a nonprofit corporation. The corporation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for federal income taxes. The Organization has no uncertain tax positions at December 31, 2024 and 2023. Generally, in accordance with the statutes of limitations, the Organization is no longer subject to examinations by the Internal Revenue Service for returns filed prior to 2021. In addition, there were no interest or penalties related to income taxes included in the financial statements.

**Financial Statement Presentation** – The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors; net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

**Promises to Give** – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

**Revenue and Revenue Recognition** – Revenues are derived primarily from admissions, programs fees and museum shop sales. Revenues are recognized in the periods in which goods and services are provided. The Organization receives grants and contracts from state and local agencies, as well as from private organizations, to be used for specific programs. Unconditional grant awards are recorded as contribution revenue in the period which they are awarded. Grants awards having the existence of a condition but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted contribution revenue until conditions of the award are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as deferred revenue when received and are recognized as contribution revenue when the awards are expended for the purpose of the grant or other conditions are satisfied.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024  
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investing instruments purchased with an original maturity of three months or less to be cash equivalents.

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 included in the financial statements. Accordingly, actual results could differ from those estimates.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities.

Fixed Assets and Depreciation – Fixed assets are recorded at cost when purchased or at fair value at date of gift. Depreciation is provided for by the straight-line method over the estimated useful lives of the assets. Major renewals and betterments are charged to fixed assets; maintenance, minor repairs and replacements which do not improve or extend the lives of the respective assets are expensed currently. The Organization continually evaluates whether current events or circumstances require adjustments to the carrying value or estimated useful lives of fixed assets.

Valuation of Long-Lived Assets – In accordance with the accounting pronouncements related to accounting for the impairment or disposal of long-lived assets, the Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

Inventory – Inventory consists of books, arts-and crafts style home décor, art prints, pottery and tiles, and Stickley-branded merchandise which are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Advertising – The Organization expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2024 and 2023 were \$2,687 and \$1,399, respectively.

Functional Expenses – The costs of providing the various program and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related benefits are allocated using time and effort. All other expenses have been directly charged to the applicable program and supporting services.

Donated Services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024  
(With Comparative Totals for December 31, 2023)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**Leases** – The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Organization’s right to use an underlying asset for a lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statement of financial position. The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component as a single lease component.

**NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS** – Investments are monitored by the finance committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that the investment policies are prudent for the long-term welfare of the organization. The Organization has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2024 and 2023, along with the basis for the determination of fair value:

2024				
	Total	Quoted Prices In Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Mutual Funds	\$ 275,761	\$ 275,761	\$ -	\$ -
Exchange traded funds	49,289	49,289	-	-
Total	<u>\$ 325,050</u>	<u>\$ 325,050</u>	<u>\$ -</u>	<u>\$ -</u>
2023				
	Total	Quoted Prices In Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Mutual Funds	\$ 294,302	\$ 294,302	\$ -	\$ -
Exchange traded funds	62,060	62,060	-	-
Total	<u>\$ 356,362</u>	<u>\$ 356,362</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization values such assets using quoted market prices in active markets (Level 1) for identical assets to the extent possible. To the extent possible that such markets are not available, the Organization values such assets using observable measurement criteria, including quoted market prices of similar assets in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization develops measurement criteria based on the best information available (Level 3)

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (cont'd)**

The following schedule summarizes the investment return in the statement of activities for the years ended December 31, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 29,858	\$ 23,008	\$ 52,866
Realized gains	10,759	514	11,273
Unrealized gains	14,107	2,268	16,375
Total	<u>\$ 54,724</u>	<u>\$ 25,790</u>	<u>\$ 80,514</u>

  

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 13,431	\$ 24,280	\$ 37,711
Realized gains	16,927	1,440	18,367
Unrealized gains	13,193	1,300	14,493
Total	<u>\$ 43,551</u>	<u>\$ 27,020</u>	<u>\$ 70,571</u>

Investment expenses relating to investment revenues for the years ended December 31, 2024 and 2023 were \$6,342 and \$15,022, respectively.

**NOTE 3 – FIXED ASSETS AND DEPRECIATION** - Fixed assets and accumulated depreciation at December 31, 2024 and 2023 were comprised of:

	Life Years	2024	2023
Equipment	5	\$ 23,366	\$ 23,366
Furniture and fixtures	7	139,438	139,438
		<u>162,804</u>	<u>162,804</u>
Less: accumulated depreciation		<u>(90,043)</u>	<u>(68,876)</u>
Net fixed assets		<u>\$ 72,761</u>	<u>\$ 93,928</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$21,167 and \$16,639, respectively.

**NOTE 4 – LINE OF CREDIT** – The Organization has a total available line of credit of \$100,000 with a bank. The line of credit had no outstanding balances at December 31, 2024 and 2023. Interest on outstanding balances is based on the Wall Street Journal Prime Rate (the “Index”). The line of credit is secured by the Organization’s investment account.

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024  
(With Comparative Totals for December 31, 2023)

**NOTE 5 – COLLECTION ITEMS** – Collection items acquired either through purchase or donation are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with unrestricted assets and as decreases in net assets with donor restrictions if purchased with donor-restricted assets. Contributions of collection items are not recognized in the statement of activities. The Organization adheres to the ethical principles and definition of direct care established by the American Alliance of Museums and considers direct care to entail actions that enhance the life, usefulness, or quality of the collection items to ensure they will continue to benefit the public. The proceeds from deaccession of collection items may be used for acquisitions of new collection items or the direct care of existing collections. Proceeds from deaccessions or insurance recoveries are reflected in the statement of activities based on the absence or existence and nature of donor-imposed restrictions.

The Organization’s collection is comprised of items purchased and donated. The collection includes furniture, textiles, pottery, metalwork, historic household objects, books, works on paper, photographs, archival materials, and items relating to the work of Gustav Stickley and others in the American Arts & Crafts Movement. The Organization’s staff ensures that the collection is protected and preserved.

**NOTE 6 – RESTRICTIONS ON NET ASSETS** - In 2018, the Organization began The Education Center Rehabilitation Project to preserve the original, historic, ground-level garage area and reestablish the two upper levels on the historic stone foundation. The rehabilitated building houses a large, multi-use program space in the Stickley-era garage and the rebuilt upper levels serve as administrative offices, collections storage, and resource library. Financial support for the rehabilitation was through grant commitments from the Township of Parsippany-Troy Hills in New Jersey and the Morris County Historic Preservation Trust, and from a fundraising campaign conducted by the Organization. The rehabilitation was substantially complete in 2020.

Beginning in March 2022, the Organization began a project to rehabilitate the Annex (which was severely damaged by a fallen tree in Aug. 2020) and to restore the Log House Kitchen to its appearance in Stickley’s time. Monies provided by the Township of Parsippany Troy Hills and a matching grant from the Preserve NJ Historic Preservation Fund of the New Jersey Historic Trust funded the majority of the construction and restoration work. Additional financial support to furnish both spaces has been provided by donors through a fundraising campaign led by the Organization. The project contractor reached substantial completion of the Annex and Kitchen in October 2024.

Net assets with donor restrictions as of December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
The Education Center Rehabilitation Project	\$ 21,803	\$ 20,328
New Jersey Historic Trust - restoration	26,772	154,555
Endowment funds	518,709	500,200
Restricted for annex	-	21,042
Amy Stahl Memorial Fund-education programs	40,818	36,987
Library Resource Center	39,354	27,604
Log Ends	-	2,000
Collection Fund	12,357	12,405
Total	<u>\$ 659,813</u>	<u>\$ 775,121</u>

THE STICKLEY MUSEUM AT CRAFTSMAN FARMS, INC.  
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(With Comparative Totals for December 31, 2023)

**NOTE 7 – ENDOWMENT FUNDS** - The Organization's endowment fund was established in 2022 to provide support for the executive director's salary. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Organization indefinitely and income from the fund is to be expended to support the executive director's salary. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Trustees of the Organization has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

In accordance with SPMIFA, 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 fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

At December 31, 2024 and 2023, the endowment fund is composed of:

	<u>2024</u>	<u>2023</u>
Amounts required to be investment in perpetuity	\$ 518,350	\$ 500,200
Subject to appropriation for support of executive director's salary	359	-
Total donor-restricted endowment fund	<u>\$ 518,709</u>	<u>\$ 500,200</u>

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and to provide the program with current income. Endowment assets are invested in accordance with the Organization's administration and investment policies. The Organization seeks to build endowment assets through additional contributions. The Organization has a policy of appropriating for distribution the endowment fund's investment income as required to support the executive director's salary. This is consistent with the Organization's objectives to provide income for the executive director's salary, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

The composition and changes in the endowment net assets as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Endowment net assets, January 1	\$ 500,200	\$ 500,000
Contributions	18,150	200
Investment return (net)	21,729	23,500
Amounts reported for expenditure	(21,370)	(23,500)
Endowment net assets, December 31	<u>\$ 518,709</u>	<u>\$ 500,200</u>

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**NOTE 8 – GRANTS** - The Organization receives support from foundation and government grants. Support from these grants is not necessarily comparable on a year-to-year basis, and there is no assurance that such grants will always be received. The Organization is economically dependent on government grants to carry on certain specific projects. Entitlement to the resources is conditional upon compliance with the terms and conditions of the grant agreements and any applicable regulations. During 2024 and 2023 the terms and conditions of the grants were met by the Organization, and all costs included in the final reports to the respective grantor agencies included only eligible costs. Government grant awards that were expended during 2024 and 2023 included:

	2024	2023
New Jersey Historic Trust – Historic Preservation	\$ 154,555	\$ 483,837
New Jersey Historic Commission – Historic Preservation	68,665	51,499
Total	<u>\$ 223,220</u>	<u>\$ 535,336</u>

**NOTE 9 – RESTORATION, PRESERVATION AND REHABILITATION** – The Organization undertakes from time to time historic restoration, preservation and rehabilitation efforts and financial results will accordingly vary substantially between years. Expenditures for restoration, preservation and rehabilitation are not reflected as an increase in assets since the property operated by the Organization is owned by the Township of Parsippany-Troy Hills (see Note 10). Additionally, grants and other funds for such projects may be received in years prior to the years of their expenditure.

**NOTE 10 – COMMITMENTS** – The Organization has had an operating agreement with the Township of Parsippany-Troy Hills since June 20, 1991, which was replaced by a successor agreement dated September 4, 2002. In addition, since July 2002 the Organization has had a lease with the Township which initially covered only the Main House but which now covers other buildings, including additional buildings sold by the Organization to the Township in 2007. The terms of the operating agreement and lease currently run until October 30, 2031 and the Organization has an option to extend the operating agreement and lease terms for an additional 25 years. The lease agreement requires lease payments of \$5 annually. The Township provides certain maintenance and security services pursuant to the operating agreement. The Organization is required to provide periodic reports on its activities, strategic plans and financials pursuant to the operating agreement.

**NOTE 11 – FACILITIES MAINTENANCE** – A substantial amount of the expenses for facilities maintenance are paid by the Township of Parsippany-Troy Hills in accordance with the lease and operating agreement.

**NOTE 12 – PENSION PLAN** – During 2013 the Organization established a 401(k) Profit-Sharing Plan. The Plan covers employees who meet certain eligibility requirements. Employees who satisfy the eligibility requirements may make salary reduction contributions to the Plan equal to at least 1% but no more than 100% of his or her compensation. The Organization does not make matching contributions to the Plan.

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**NOTE 13 – LEASES -ASC 842** - The Organization is obligated under a lease for office equipment through 2026. It is expected that this office lease will be renewed or replaced by a similar lease. The lease does not contain any escalation provisions. The Organization calculates the lease liabilities using a risk free rate of 1.37%.

Additional information about the Organization’s operating lease is as follows for the year ended December 31, 2024 and 2023,

<u>Lease costs (included in contracted services):</u>	<u>2024</u>	<u>2023</u>
Operating lease cost	\$3,585	\$3,585
<u>Other information:</u>		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$3,585	\$3,585
Weighted-average remaining lease term (months)	19	31
Weighted-average discount rate	1.37%	1.37%

Future maturities of lease liabilities are presented in the following table, for the year ending December 31, 2024:

12/31/2025	\$ 3,585
12/31/2026	2,091
Total lease payments	5,676
Less present value discount	(75)
Present value of lease liability	\$ 5,601

**NOTE 14 – COMPARATIVE FINANCIAL INFORMATION** - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**NOTE 15 – EMPLOYEE RETENTION CREDIT** - The Employee Retention Credit (ERC), which was included as part of the CARES Act and amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA), provides for a refundable tax credit against certain employment taxes of up to \$7,000 per employee for eligible employers. For 2021, the tax credit was equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was \$10,000 per quarter. The ERC was calculated as a percentage of qualified wages paid by an eligible employer. The Organization qualifies for the tax credit for the quarters ended March 31, 2021 and June 30, 2021, and the credits are approximately \$32,500 and \$17,400, respectively. The Organization chose to account for this federal funding in accordance with FASB ASC 958 and recognized \$49,900 of revenue and is included in the statement of activities. The Organization received \$32,500 in March 2023 relating to the quarter ended March 31, 2021. The Organization received \$17,400 plus accrued interest of \$872 in June 2024 relating to the quarter ended June 30, 2021

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**NOTE 16 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS** - The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions. The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses excluding depreciation. The Organization has an investment account which is an operating reserve for expenses in the event needed. The Organization does not believe it is necessary to draw on its investments currently, which are, therefore, designated as operating reserves:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 307,067	\$ 340,112
Investments	325,050	356,362
Cash equivalents held for endowment	518,709	500,200
Grants receivable	149,037	535,864
Employee Retention Credit receivable	-	17,400
Total financial assets	1,299,863	1,749,938
Contractual or donor-imposed restrictions	(659,813)	(775,121)
Operating reserves	(287,111)	(338,072)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 352,939</u>	<u>\$ 636,745</u>

**NOTE 17- RECLASSIFICATIONS** - Certain amounts included in the 2023 comparative totals were reclassified to make them comparable to 2024.

**NOTE 18 – SUBSEQUENT EVENTS** - Management has evaluated subsequent events through July 3, 2025, the date on which the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

# GERMAN, VREELAND & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY M. GERMAN, MBA, CPA  
DAVID A. HULSIZER, CPA  
VICTOR MAISANO, CPA  
KEVIN O'CONNOR, MBA, CPA  
RAJESH K. SETHI, CPA, MST

2 RIDGEDALE AVENUE - SUITE 300  
CEDAR KNOLLS, NJ 07927-1119  
(973) 605-2777  
FAX (973) 605-8064  
www.gvacpa.com

MARIA BATTERSHALL, CPA  
ROBERT W. DODDS, CPA\*

RETIRED  
LOUIS T. GERMAN (1923 - 2013)  
CURT L. PALATSKY (1951 - 2018)  
GORDON A. VREELAND

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

To the Board of Trustees of  
The Stickley Museum at Craftsman Farms, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of The Stickley Museum at Craftsman Farms, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 July 3, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Stickley Museum at Craftsman Farms, Inc.'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 Stickley Museum at Craftsman Farms, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Stickley Museum at Craftsman Farms, Inc.'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 or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Stickley Museum at Craftsman Farms, Inc.'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.



German, Vreeland & Associates, LLP

Cedar Knolls, New Jersey

July 3, 2025