

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Vesterheim Norwegian-American Museum
Decorah, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vesterheim Norwegian-American Museum (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vesterheim Norwegian-American Museum as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Vesterheim Norwegian-American Museum and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Vesterheim Norwegian-American Museum'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 Vesterheim Norwegian-American Museum'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 Vesterheim Norwegian-American Museum'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.



CliftonLarsonAllen LLP

Cedar Rapids, Iowa
August 18, 2025

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 275,228	\$ 392,052
Accounts Receivable	8,762	20,606
Promises to Give	964,936	769,756
Prepaid Expenses and Other Assets	140,187	31,272
Inventories	<u>129,292</u>	<u>124,759</u>
Total Current Assets	1,518,405	1,338,445
OTHER ASSETS		
Promises to Give, Less Current Portion, Net	897,172	1,369,590
Restricted Cash Equivalents	1,205,690	1,264,389
Investment Accounts	11,991,898	12,077,474
Restricted Investment Accounts	186,742	295,510
Beneficial Interest in Remainder Trusts	8,246	124,139
Cash Surrender Value of Life Insurance	85,558	82,321
Right-of-Use Assets - Operating, Net	<u>20,223</u>	<u>25,827</u>
Total Other Assets	14,395,529	15,239,250
PROPERTY AND EQUIPMENT, NET	<u>14,763,322</u>	<u>14,448,608</u>
Total Assets	<u><u>\$ 30,677,256</u></u>	<u><u>\$ 31,026,303</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 169,279	\$ 435,636
Accrued Expenses	169,472	168,001
Deferred Revenue	582,846	157,638
Lease Liability - Operating	<u>5,812</u>	<u>5,604</u>
Total Current Liabilities	927,409	766,879
LONG-TERM LIABILITIES		
Lease Liability - Operating, Less Current Maturities	14,411	20,223
Line of Credit	<u>3,749,864</u>	<u>5,001,010</u>
Total Long-Term Liabilities	<u>3,764,275</u>	<u>5,021,233</u>
Total Liabilities	4,691,684	5,788,112
NET ASSETS		
Without Donor Restrictions:		
Undesignated	12,623,116	10,471,933
Board-Designated - Endowment	160,445	943,781
Board-Designated - Operating Reserve	843,025	1,683,546
Board-Designated - Collection	<u>-</u>	<u>27,384</u>
Total Without Donor Restrictions	13,626,586	13,126,644
With Donor Restrictions	<u>12,358,986</u>	<u>12,111,547</u>
Total Net Assets	<u>25,985,572</u>	<u>25,238,191</u>
Total Liabilities and Net Assets	<u><u>\$ 30,677,256</u></u>	<u><u>\$ 31,026,303</u></u>

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,725,597	\$ 619,501	\$ 2,345,098
In-Kind Contributions	-	-	-
Events	8,343	-	8,343
Admission, Membership and Publication Fees	332,721	-	332,721
Tuition and Tour Fees	637,436	-	637,436
Sales of Merchandise	549,042	-	549,042
Sales of Collection Items	696	-	696
Miscellaneous Income	3,432	-	3,432
Rental Income	8,068	-	8,068
Investment Accounts, Net	1,111,411	345,585	1,456,996
Net Assets Released from Restriction:			
Satisfaction of Purpose Restrictions	601,647	(601,647)	-
Satisfaction of Time Restrictions	116,000	(116,000)	-
Total Revenue and Support	<u>5,094,393</u>	<u>247,439</u>	<u>5,341,832</u>
EXPENSES			
Program Services:			
Collection Care	870,703	-	870,703
Education	1,173,229	-	1,173,229
Museum Store	688,710	-	688,710
Total Program Services	<u>2,732,642</u>	<u>-</u>	<u>2,732,642</u>
Supporting Activities:			
Management and General	1,222,377	-	1,222,377
Fundraising	636,725	-	636,725
Total Supporting Activities	<u>1,859,102</u>	<u>-</u>	<u>1,859,102</u>
Total Expenses	<u>4,591,744</u>	<u>-</u>	<u>4,591,744</u>
CHANGE IN NET ASSETS FROM OPERATIONS	502,649	247,439	750,088
NONOPERATING ACTIVITIES			
Collection Items Purchased	<u>(2,707)</u>	<u>-</u>	<u>(2,707)</u>
CHANGE IN NET ASSETS	499,942	247,439	747,381
Net Assets - Beginning of Year	<u>13,126,644</u>	<u>12,111,547</u>	<u>25,238,191</u>
NET ASSETS - END OF YEAR	<u>\$ 13,626,586</u>	<u>\$ 12,358,986</u>	<u>\$ 25,985,572</u>

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 2,518,136	\$ 459,068	\$ 2,977,204
In-Kind Contributions	50,000	-	50,000
Change in Value of Beneficial Interest in Remainder Trusts	20,009	-	20,009
Events	657	-	657
Admission, Membership and Publication Fees	329,398	-	329,398
Tuition and Tour Fees	668,727	-	668,727
Sales of Merchandise	561,438	-	561,438
Miscellaneous Income	2,040	-	2,040
Rental Income	13,110	-	13,110
Investment Accounts, Net	430,061	1,303,035	1,733,096
Net Assets Released from Restriction Satisfaction of Purpose Restrictions	903,030	(903,030)	-
Satisfaction of Time Restrictions	512,873	(512,873)	-
Total Revenue and Support	6,009,479	346,200	6,355,679
EXPENSES			
Program Services:			
Collection Care	476,266	-	476,266
Education	950,483	-	950,483
Museum Store	606,695	-	606,695
Total Program Services	2,033,444	-	2,033,444
Supporting Activities:			
Management and General	1,339,449	-	1,339,449
Fundraising	743,012	-	743,012
Total Supporting Activities	2,082,461	-	2,082,461
Total Expenses	4,115,905	-	4,115,905
CHANGE IN NET ASSETS FROM OPERATIONS	1,893,574	346,200	2,239,774
NONOPERATING ACTIVITIES			
Collection Items Purchased	(2,642)	-	(2,642)
CHANGE IN NET ASSETS	1,890,932	346,200	2,237,132
Net Assets - Beginning of Year	11,235,712	11,765,347	23,001,059
NET ASSETS - END OF YEAR	<u>\$ 13,126,644</u>	<u>\$ 12,111,547</u>	<u>\$ 25,238,191</u>

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services					Management and General	Fundraising	Total
	Collection Care	Education	Museum Store	Total Program				
Wages and Related Expenses	\$ 258,339	\$ 345,472	\$ 203,426	\$ 807,237	\$ 862,944	\$ 281,198	\$ 1,951,379	
Exhibits Expense	27,355	-	-	27,355	-	-	27,355	
Professional Services	9,323	8,983	3,383	21,689	92,615	50,247	164,551	
Operating Expense	2,677	13,213	21,530	37,420	32,111	92,381	161,912	
Communications	2,644	1,959	1,959	6,562	2,413	1,959	10,934	
Postage	629	2,456	17,197	20,282	26,810	20,392	67,484	
Utilities	42,770	12,113	6,356	61,239	11,130	9,600	81,969	
Repairs and Maintenance	30,150	7,822	-	37,972	33,750	-	71,722	
Technology	7,687	9,815	8,152	25,654	23,483	6,835	55,972	
Printing	-	7,451	8,113	15,564	34,751	37,303	87,618	
Travel and Development	99	-	-	99	-	61	160	
Depreciation and Amortization	363,379	130,164	85,926	579,469	38,549	29,765	647,783	
Insurance	56,472	20,228	13,354	90,054	5,990	4,626	100,670	
Advertising	3,529	8,567	4,462	16,558	14,313	313	31,184	
Dues and Subscriptions	5,649	1,851	-	7,500	10,015	17,015	34,530	
Software Licensing	-	254	-	254	600	24,529	25,383	
Events and Tours Expense	300	378,539	-	378,839	742	13,339	392,920	
Classes Expenses	-	192,180	-	192,180	-	-	192,180	
Merchandise Purchases	-	-	282,690	282,690	-	-	282,690	
Rental Property Expense	25,548	-	-	25,548	-	-	25,548	
Collections Care	1,991	-	-	1,991	-	-	1,991	
Bad Debt Expense	-	-	-	-	-	15,000	15,000	
Interest Expense	32,162	32,162	32,162	96,486	32,161	32,162	160,809	
Total Expenses by Function	\$ 870,703	\$ 1,173,229	\$ 688,710	\$ 2,732,642	\$ 1,222,377	\$ 636,725	\$ 4,591,744	

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services					Management and General	Fundraising	Total
	Collection Care	Education	Museum Store	Total Program				
Wages and Related Expenses	\$ 229,538	\$ 251,366	\$ 170,608	\$ 651,512	\$ 822,617	\$ 383,292	\$ 1,857,421	
Exhibits Expense	16,815	-	-	16,815	-	-	16,815	
Professional Services	720	15,036	-	15,756	112,191	134,121	262,068	
Operating Expense	1,808	12,738	19,348	33,894	75,859	69,100	178,853	
Communications	1,850	1,850	1,850	5,550	1,850	1,852	9,252	
Postage	496	37	17,046	17,579	20,222	25,459	63,260	
Utilities	26,911	14,418	12,654	53,983	13,989	24,756	92,728	
Repairs and Maintenance	28,856	10,147	-	39,003	72,338	-	111,341	
Technology	4,888	6,241	4,069	15,198	20,393	-	35,591	
Printing	428	6,367	5,047	11,842	33,318	52,764	97,924	
Travel and Development	637	476	-	1,113	-	2,189	3,302	
Depreciation and Amortization	143,000	43,263	43,263	229,526	76,509	952	306,987	
Insurance	17,327	17,327	17,327	51,981	26,777	-	78,758	
Advertising	1,653	16,627	5,664	23,944	19,101	265	43,310	
Dues and Subscriptions	300	3,751	-	4,051	7,187	20,248	31,486	
Software Licensing	-	-	-	-	3,692	4,852	8,544	
Events and Tours Expense	-	367,411	-	367,411	58	23,162	390,631	
Classes Expenses	-	183,428	-	183,428	-	-	183,428	
Merchandise Purchases	-	-	309,819	309,819	-	-	309,819	
Rental Property Expense	-	-	-	-	20,400	-	20,400	
Collections Care	1,039	-	-	1,039	-	-	1,039	
Bad Debt Expense	-	-	-	-	12,948	-	12,948	
Total Expenses by Function	\$ 476,266	\$ 950,483	\$ 606,695	\$ 2,033,444	\$ 1,339,449	\$ 743,012	\$ 4,115,905	

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 747,381	\$ 2,237,132
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Contributions Restricted for Endowment Purposes	(169,488)	(42,352)
Contributions Restricted for Long-Term Purposes	(936,226)	(677,981)
Contributed Property and Equipment	-	(50,000)
Depreciation and Amortization	647,783	306,987
Bad Debt Expense	15,000	12,948
Change in Discount to Present Value	(119,354)	82,000
Realized and Unrealized Loss (Gain) on Investment Accounts	(1,253,080)	(1,480,100)
Cash Surrender Value of Life Insurance	(3,237)	(3,508)
Change in Beneficial Interest in Remainder Trusts	(107)	(130,274)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	11,844	6,296
Promises to Give, Net	381,592	436,084
Prepaid Expenses	(108,915)	18,587
Inventories	(4,533)	19,654
Accounts Payable	126,334	4,384
Accrued Expenses	1,471	(1,216)
Deferred Revenue	425,208	(42,772)
Payments on Lease Liability	(5,604)	(4,752)
Net Cash Provided (Used) by Operating Activities	(243,931)	691,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investment Accounts	(2,510,217)	(2,373,687)
Proceeds from Sales of Investment Accounts	3,957,642	3,992,651
Distributions from Beneficial Interest in Remainder Trusts	116,000	78,108
Purchases of Property and Equipment	(1,349,585)	(5,402,374)
Net Cash Provided (Used) by Investing Activities	213,840	(3,705,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Borrowings on Line of Credit	-	3,193,931
Payments on Line of Credit	(1,251,146)	-
Proceeds from Contributions Restricted for Long-Term Purposes	936,226	677,981
Proceeds from Contributions Restricted for Endowment	169,488	42,352
Net Cash Provided (Used) by Financing Activities	(145,432)	3,914,264
NET CHANGE IN CASH AND CASH EQUIVALENTS	(175,523)	900,079
Cash and Cash Equivalents - Beginning of Year	1,656,441	756,362
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,480,918</u>	<u>\$ 1,656,441</u>

See accompanying Notes to Financial Statements.

VESTERHEIM NORWEGIAN-AMERICAN MUSEUM
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid and Capitalized During the Year for Interest	<u>\$ 160,809</u>	<u>\$ 138,462</u>
Noncash Purchases of Property and Equipment	<u>\$ -</u>	<u>\$ 392,692</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 275,228	\$ 392,052
Restricted Cash	<u>1,205,690</u>	<u>1,264,389</u>
Total Cash and Cash Equivalents	<u>\$ 1,480,918</u>	<u>\$ 1,656,441</u>

See accompanying Notes to Financial Statements.