★ Roll Call Number

....

Agenda Item Number

49

Date ....August 3, 2026..........

RECEIVE AND FILE THE ANNUAL REPORT AND THE FINAL AUDIT REPORT FOR 2025 FROM THE GREATER DES MOINES PUBLIC ART FOUNDATION

WHEREAS, the City of Des Moines provides funding for the Greater Des Moines Public Art Foundation (the "Foundation"); and,

WHEREAS, the Foundation has provided the financial audit for 2025 and its annual report.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, receives and files the report from the Greater Des Moines Public Art Foundation.

Moved by______________________________ to adopt.

Second by______________________________.

APPROVED AS TO FORM:
/s/ Thomas G. Fisher Jr.
Thomas G. Fisher Jr.
Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
SIMONSON				
VOSS				
BARRON				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				

MOTION CARRIED APPROVED

______________________________ Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

______________________________ City Clerk

DENMAN

Denman CPA LLP
1601 22nd Street, Suite #400
West Des Moines, Iowa 50266-1453
www.denman.cpa 515-225-8400

Board of Directors
Greater Des Moines Public Art Foundation
Des Moines, Iowa

We have audited the financial statements of Greater Des Moines Public Art Foundation (the Foundation) for the year ended December 31, 2025, and have issued our report thereon dated May 28, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Greater Des Moines Public Art Foundation are described in Note 1 to the financial statements. No new accounting standards were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's allocation of functional expenses is based upon an evaluation of the staff time and effort associated with each function.
>
> Management's estimate of the net realizable value of grants and contributions receivable is based upon management's estimates as to the collectability of outstanding balances and present value considerations.
>
> Management's estimate of the fair value of the beneficial interest is held by the Community Foundation of Greater Des Moines is based on the net asset value of the investments.

We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> Note 5 to the financial statements discloses the Foundation's funding from the City of Des Moines, Iowa.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in planning and performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 28, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board of directors and management of Greater Des Moines Public Art Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
May 28, 2026

Greater Des Moines Public Art Foundation
Des Moines, Iowa

FINANCIAL REPORT

December 31, 2025 and 2024

DENMAN

Denman CPA LLP
1601 22nd Street, Suite #400
West Des Moines, Iowa 50266-1453
www.denman.cpa 515-225-8400

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Des Moines Public Art Foundation
Des Moines, Iowa

Opinion

We have audited the accompanying financial statements of Greater Des Moines Public Art Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Greater Des Moines Public Art Foundation as of December 31, 2025 and 2024, 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. 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 Greater Des Moines Public Art Foundation 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Greater Des Moines Public Art Foundation
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Cash and cash equivalents	$ 272,633	$ 3,572,992
Grants and contributions receivable, net	316,790	828,661
Prepaid expenses and other current assets	15,223	15,169
Beneficial interest in assets held by the Community Foundation of Greater Des Moines	2,913,854	164,941
Total assets	$ 3,518,500	$ 4,581,763
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 603	$ 360
Accrued compensation	3,231	1,408
Total liabilities	3,834	1,768
NET ASSETS		
Net assets without donor restrictions		
Board designated	805,667	239,024
Undesignated	249,498	628,249
Total net assets without donor restrictions	1,055,165	867,273
With donor restrictions	2,459,501	3,712,722
Total net assets	3,514,666	4,579,995
Total liabilities and net assets	$ 3,518,500	$ 4,581,763

See Notes to Financial Statements.

Greater Des Moines Public Art Foundation
STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended December 31, 2025			
	Program	Management and general	Fundraising	Total
Salaries	$ 56,071	$ 33,643	$ 22,428	$ 112,142
Payroll taxes	4,380	2,628	1,752	8,760
Employee benefits	5,759	3,456	2,304	11,519
Total salaries and related benefits	66,210	39,727	26,484	132,421
Art installation, preservation and support	1,397,947	–	–	1,397,947
Conference, conventions, and meetings	–	52	–	52
Information technology	–	2,552	–	2,552
Insurance	10,617	12,376	–	22,993
Marketing	–	–	150	150
Occupancy	–	8,484	–	8,484
Other	3,453	1,418	3,086	7,957
Postage and printing	595	894	1,010	2,499
Professional fees	69,395	27,797	4,500	101,692
Telephone	–	360	–	360
Travel and meals	440	88	–	528
Totals	$ 1,548,657	$ 93,748	$ 35,230	$ 1,677,635

See Notes to Financial Statements.

Greater Des Moines Public Art Foundation
STATEMENTS OF CASH FLOWS

	Year ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (1,065,329)	$ 3,732,589
Adjustments to reconcile change in total net assets to net cash flows from operating activities		
Change in beneficial interest	(75,720)	(18,220)
Expenditures for art commission	1,387,647	98,666
Revenue recognized from contributions for art commission	(40,190)	(3,678,860)
Change in assets and liabilities		
Grants and contributions receivable, net	205,750	(195,170)
Prepaid expenses and other current assets	(54)	(2,044)
Accounts payable	243	(7,192)
Accrued compensation	1,823	436
Net cash flows from operating activities	414,170	(69,795)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	17,296	31,217
Purchase of investments	(2,690,489)	–
Cash disbursements for art commission	(1,387,647)	(98,666)
Net cash flows from investing activities	(4,060,840)	(67,449)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from contributions for art commission	346,311	3,200,669
Net cash flows from investing activities	346,311	3,200,669
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,300,359)	3,063,425
CASH AND CASH EQUIVALENTS		
Beginning	3,572,992	509,567
Ending	$ 272,633	$ 3,572,992

See Notes to Financial Statements.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Grants and Contributions (continued)

Contributions are recognized as revenue when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give, that is, those contributions with a measurable and material performance or other barrier and a right of return, are not recognized as revenue until the donor's conditions are substantially met.

Grants and contributions received are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions which were given with donor-imposed stipulations whose restrictions are met in the year received are reported as unrestricted contributions.

Beneficial Interest in Assets Held at Community Foundation

The Foundation values its beneficial interest in assets held at Community Foundation of Greater Des Moines (CFGDM or Community Foundation) at fair value in the statements of financial position. The change in beneficial interest is recognized as a component of investment return and is included in the accompanying statements of activities. Investment return limited by restrictions is reported as an increase or decrease in net assets without donor restrictions if the restrictions are met in the same reporting period as when recognized.

The Foundation holds a share of the pooled funds and not direct ownership of the underlying investments. The funds are subject to policies and governing documents of the Community Foundation, including control over investment and asset management. Distributions from the funds are paid to the Foundation according to Community Foundation's distribution policies.

Grants and Contributions Receivable

Grants and contributions receivable consists of outstanding contributions from donors and awarded grants not yet received. Management considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be written-off when that determination is made. Contributions with payment periods extending beyond one year are recorded at their net present value.

Income Taxes

The Foundation is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation may be subject to federal and state income taxes to the extent it has unrelated business income, however, no provision for income taxes is included within the financial statements as management has determined that there is no taxable income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation is subject to routine audits by tax authorities, however, there are currently no audits for any tax periods in progress. Management believes the Foundation is no longer subject to income tax examinations for tax years ended prior to 2022.

NOTE 4 GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of unconditional promises to give to the Foundation for programs and the commissioning of public art and are collectible over the next three years. Grants and contributions receivable as of December 31, 2025 and 2024 are summarized as follows:

	December 31, 2025			December 31, 2024		
	Program	Art commission	Total	Program	Art commission	Total
Due in less than one year	$ 37,720	$ 169,910	$ 207,630	$ 243,470	$ 303,019	$ 546,489
Due in two to five years	–	119,160	119,160	–	320,172	320,172
Total contributions receivable	37,720	289,070	326,790	243,470	623,191	866,661
Less present value discount	–	10,000	10,000	–	38,000	38,000
Net contributions receivable	$ 37,720	$ 279,070	$ 316,790	$ 243,470	$ 585,191	$ 828,661

NOTE 5 MAJOR FUNDING SOURCES

During each of the years ended December 31, 2025 and 2024, the Foundation received $200,000 from the City of Des Moines to support program operating expenses. This funding source constitutes a majority of the Foundation's support for operations. Changes in the amount of support provided by the City could have a material effect on the Foundation's operations.

NOTE 6 NET ASSETS

The Foundation's net assets are summarized as follows:

	December 31	
	2025	2024
Net assets without donor restrictions		
Board-designated		
Endowment	$ 420,955	$ 59,024
Des Moines Airport Project	213,373	100,000
Operating reserve	171,339	80,000
Total board-designated assets	805,667	239,024
Undesignated	249,498	628,249
Total net assets without donor restrictions	$ 1,055,165	$ 867,273
Net assets with donor restrictions		
Subject to time restriction	$ 35,720	$ 43,470
Subject to expenditure for specific projects	2,319,217	3,563,335
Miffy Fountain endowment	104,564	105,917
Total net assets with donor restrictions	$ 2,459,501	$ 3,712,722

Net assets were released from donor restrictions during the years ended December 31, 2025 and 2024, by incurring expenses satisfying the restricted purposes as follows:

	December 31	
	2025	2024
Purpose restrictions accomplished through the passage of time	$ 43,470	$ 48,300
Purpose restrictions accomplished and reclassifications made	1,284,308	291,396
Endowment earnings appropriated for expenditure	17,296	31,217
Total	$ 1,345,074	$ 370,913

NOTE 8 CONTRACTUAL COMMITMENTS

The Foundation has entered into contractual commitments for the development and installation of public art exhibits totaling approximately $2,200,000. As of December 31, 2025, the remaining outstanding contractual commitments totaled approximately $910,000. These commitments will be funded through cash on hand and donor contributions.

NOTE 9 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 28, 2026, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.