



Request for Proposal

Financial Statement Audit for the Des Moines Airport Authority

Fiscal Years 1/1-12/31/2025 through 1/1 – 12/31/2029

<https://www.flydsm.com/airport-business/bid-procurement-rfps>

Issue Date: July 1, 2024

RFP Questions due to nwagner@dsmairport.com by July 11, 2024

Question responses will be posted to the website above by July 15, 2024

Proposals Due: July 25, 2024 @ 4:00 PM, to:

Ni Wagner
Director of Finance and Administration
Des Moines Airport Authority
5800 Fleur Drive, Room 207
Des Moines, IA 50321



DES MOINES AIRPORT AUTHORITY

**REQUEST FOR PROPOSAL
ANNUAL AUDIT OF FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND OTHER REPORTS
FOR THE PERIODS OF
JANUARY 1, 2025 to DECEMBER 31, 2025,
JANUARY 1, 2026 to DECEMBER 31, 2026, and
JANUARY 1, 2027 to DECEMBER 31, 2027**

Optional Periods

**JANUARY 1, 2028 to DECEMBER 31, 2028 and
JANUARY 1, 2029 to DECEMBER 31, 2029**

The Des Moines Airport Authority (“Authority”) is soliciting proposals from qualified national and regional accounting firms to provide annual auditing services for a three-year period in accordance with requirements and specifications contained herein. Our fiscal year end is December 31.

INTRODUCTION

On November 1, 2011, the Des Moines Airport Authority was created to operate the Des Moines International Airport (“Airport”). Prior to this date, the Airport was operated as an Enterprise Fund of the City of Des Moines. Financial statements of the Airport have been audited for the last seven years by Plante Moran, PLLC.

The Authority is a public instrumentality and public body corporate of the State of Iowa, created under Chapter 330A of the Iowa Code. The Airport is owned by the Authority and operated by the Authority Board. The Authority Board consists of five citizens appointed by the Des Moines City Council.

The Authority has no taxing power and its operations and debt service are financed from current and retained earnings. The Authority pays no taxes and files no tax returns (other than payroll returns). The Authority participates in the Federal Aviation Administration’s Airport Improvement Program for which it receives grant funds. The Authority is currently authorized to collect a Passenger Facility Charge (PFC’s). The Authority also currently has grants open through the FAA’s Airport Terminal Program and Airport Improvement Grant, along with several State of Iowa grants.

The Authority is in the process of designing and constructing a new terminal in which the Groundbreaking ceremony kicked off in October 2023. By the end of 2024 the new terminal design is expected 100% complete and Phase 1A Guaranteed Maximum Price (GMP) packages will be approved by the Board of Directors.

On November 7, 2023, Iowa voters approved a referendum allowing Polk County to issue bonds for up to \$350 million and loan the proceeds to the Authority to fund the new terminal. An 80% passing rate from the community supported the project. Polk County issued the first tranche of the bonds for \$120 million on May 8, 2024 and loaned the proceeds to the Authority on June 4, 2024.

The Loan Agreement Polk County and The Authority on the Series 2024A debt contains the following requirement at Section 6.22:

Accounting and Audits. The Borrower will cause to be kept proper books and accounts adapted to the Airport Authority System and in accordance with generally accepted accounting practices, and will diligently act to cause the books and accounts to be audited annually and reported upon not later than 210 days after the end of each Fiscal Year, or as soon thereafter as is practicable, by an Independent Auditor and will file copies of the audit report with the Lender. All expenses of obtaining such reports shall constitute Operation and Maintenance Expenses of the Airport Authority System. It is further agreed that if the Borrower shall fail to

provide the audits and reports required by this Section, the Lender may cause such audits and reports to be prepared at the expense of the Borrower. The audit reports requested by this Section shall be accompanied by the following information:

- (a) A calculation demonstrating compliance with the rate covenant in Section 6.10 herein;*
- (b) A statement of Net Revenues and Operation and Maintenance Expenses to be paid;*
- (c) Analysis of each fund (including the Project Fund) and account created hereunder, including deposits, withdrawals and beginning and ending balances; and*
- (d) A balance sheet.*

The Lender shall have at all reasonable times the right to inspect the Airport Authority System and the records, accounts and data of the Borrower relating thereto.

ACCOUNTING SYSTEM

The Authority currently uses the Sage 100 accounting platform and processes payroll through isolved HCM, LLC.

Accounting records are maintained in the administration offices of the Authority. The financial affairs of the Authority are directed by Ni Wagner. Questions or requests for information should be directed to Ni at nwagner@dsmairport.com.

REQUIRED SERVICES

The Authority requires a complete and comprehensive audit of its financial statements on an annual basis. The auditor's report for each fiscal period must be completed and filed with the Authority no later than the second Tuesday of June. Twenty bound copies of the full report are required, plus an electronic version in PDF.

The audit examinations must be made in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. A copy of the December 31, 2023 audited financial statements can be requested from Ni Wagner at the email address above.

PROPOSAL REQUIREMENTS

Proposals must contain a total firm price (inclusive of out-of-pocket expenses) AND the fees for producing the final report that contains graphic design for each audit to cover the periods of January 1, 2025 through December 31, 2025; January 1, 2026 to December 31, 2026; and January 1, 2027 through December 31, 2027; January 1, 2028 through December 31, 2028; and January 1, 2029 through December 31, 2029. Proposals must contain a summary of the firm's qualifications, and a description of the range of services provided. The summary should also include relevant experience of the firm at airports and other authorities.

Proposals must identify the partner, manager and senior staff to be initially assigned to the audit and a description of their relevant experience.

Proposals must be valid for a period of sixty (60) days following their opening.

Sealed proposals clearly labeled "Audit Proposal" must be received in the Authority's office no later than 4 p.m. on July 26, 2024. At that time they will be reviewed in accordance with procedures outlined by the Authority board's Audit Committee. Three copies of each proposal are required and they should be addressed to:

Ni Wagner
Director of Finance and Administration
Des Moines Airport Authority
5800 Fleur Drive, Room 207
Des Moines, IA 50321

PRE-PROPOSAL QUESTIONS

Questions related to this RFP may be directed to Ni Wagner, Director of Finance and Administration, on or before July 11, 2024 via email at nwagner@dsmairport.com. Responses to all questions received will be posted to <https://www.flydsm.com/airport-business/bid-procurement-rfps> no later than July 15, 2024 in the form of a RFP Addendum. Receipt of questions via email will be acknowledged within 24 hours. If a question is not acknowledged, please contact Ni Wagner at 515-256-5012.

SELECTION PROCEDURE

All proposals will be reviewed by Authority staff who will make a recommendation to the Authority Audit Committee. A firm is expected to be selected by the Authority Board of Directors at their August 13, 2024 meeting.

The following evaluation categories and point allocation will be used:

<u>Evaluation Category</u>	<u>Weight</u>
1. Expertise and experience	40
a. Past experience and performance on comparable airport engagements	
b. Qualifications of proposed engagement team and the firm's management professionals available for consultation	
c. Staff continuity of proposed engagement term, as evidenced by length of service and turnover	
d. Past experience with auditing similar federal and state grant programs.	
2. Audit approach	20
a. Adequacy of proposed staffing plan for various segments of the engagement	
b. Adequacy of sampling techniques	
c. Adequacy of analytical procedures	
3. References	10
a. Responses of two (2) client references	
4. Price	30
a. Proposers include pricing as required in Proposal Requirements section.	
TOTAL POINTS	100

ACCEPTANCE

The Authority will notify each of the proposers which firm was selected by a letter. Following acceptance, the Authority will pay allowable fees upon receipt of progress billings from the auditors.

The Authority reserves the right to terminate the audit assignment at any time for cause or convenience. The Authority will also require execution of a professional services contract prior to the start of services which includes standard Federal Aviation Administration provisions.

DES MOINES AIRPORT AUTHORITY
SUMMARY OF SUPPORT SCHEDULES
TO BE PROVIDED TO AUDITOR BY STAFF

Draft of Basic Financial Statements, MD&A and Majority of Footnotes
General Ledger/Trial Balance
Cash and Investments including Bank Reconciliations
Summary of Revenue Account Distributions
Transfers between Funds around Year End
Accounts Receivable
Accrued Receivables
Accrued Interest Receivable and Interest Income
Grants Receivable and Grants Income
Prepaid Expenses
Fixed Assets and Depreciation
Accounts Payable
Construction Contracts and Retainages Payable
Accrued Interest Payable and Interest Expense
Accrued Vacation Pay
Accrued Expenses
Loan Indebtedness, other Long Term Debt and Debt Service Coverage Ratio
Concessionaires' Gross Receipt Summary
Actuary's Other Post Employment Benefit Valuation Report
Passenger Facility Charge Revenue and Disbursements
Schedule of Expenditures of Federal Awards
Lease agreements and analysis