

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	January 25, 2010
	Agenda Item No. 35 Roll Call No. <u>10-</u> Communication No. <u>10-027</u> Submitted by: Craig S. Smith, AAE - Aviation Director	

AGENDA HEADING:

Receive and File the Financial Statements of the Des Moines International Airport for the fiscal year ended June 30, 2009.

SYNOPSIS:

Receive and File the Financial Statements of the Des Moines International Airport (City of Des Moines Aviation Department) for the year ended June 30, 2009, including Independent Auditor’s Reports as prepared by McGladrey & Pullen, LLP. In addition to the report on the Airport’s financial statements, additional reports have been issued on the airport’s compliance with and control over financial reporting procedures and its compliance with requirements applicable to the Passenger Facility Charge program.

FISCAL IMPACT:

Amount: \$14,500 - paid to McGladrey & Pullen LLP, Moline, IL, for auditing services.

Funding Source: Fiscal Year 2010 Operating Budget, Airport Operations Fund, Administration, EN002 AIR010100.

ADDITIONAL INFORMATION:

Chapter 22 of the Des Moines City Code assigns certain responsibilities to the Airport Board, including the need to “ensure that all Airport revenues collected by or under Board authority are credited to the Airport Enterprise Fund, and that all expenditures from said fund are done in accordance with applicable state and federal laws and regulations.”

However, because the Aviation Department functions as an Enterprise Fund of the City of Des Moines, the City of Des Moines Finance Department has historically managed all audit requirements related to Airport receipts and disbursements.

Based on a past recommendation of the Airport Board, the Aviation Department engages the same independent accounting firm as the City, which has typically been retained through a Request for Proposals (RFP) process. The City's most recent RFP covers fiscal years ending June 30, 2009, 2010, and 2011, with the option of extending an additional three years by mutual agreement. The successful proposer was McGladrey and Pullen, LLP (McGladrey).

McGladrey has completed its audit for the fiscal year ended June 30, 2009, and issued an unqualified audit report on the Airport's financial statements, its compliance and control over financial reporting procedures, and its compliance with requirements applicable to the Passenger Facility Charge program. Copies of each audit report and financial statements have previously been presented to the Airport Board for review and the Board recommended that the report and statements be forwarded to the Council. As noted within the report, there were no findings or questioned costs and the Airport received an unqualified audit opinion, which is the highest level of assurance available.

Finally, it should also be noted that the Airport information is also reported as a part of the City's Comprehensive Annual Financial Report (CAFR). The airport reports are available for public viewing at the Aviation Department administrative offices as well as on the airport website -- http://www.dsmaairport.com/AboutUs/Annual_Report.htm.

PREVIOUS COUNCIL ACTION(S):

Date: April 6, 2009

Roll Call Number: 09-563

Action: Approve contract for independent auditing services with McGladrey & Pullen, LLP for fiscal years ending June 30, 2009, 2010 and 2011, with three one-year renewal options, base price of \$117,000 per year (Council Communication No. 09-188) Moved by Hensley to adopt. Motion Carried 7-0.

Date: January 26, 2009

Roll Call Number: 09-127

Action: Receive and file the Financial Statements of the Des Moines International Airport for the year ending June 30, 2008, including Independent Auditors' Reports from McGladrey and Pullen, LLP. (Council Communication No. 09-020). Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: December 1, 2009 – Airport Board

Resolution Number: A09-212

Action: Receive and file the Audited Financial Statements for the fiscal year ended June 30, 2009, including the Independent Auditors' Reports from McGladrey & Pullen, LLP. (Board Communication No. 09-1204) Moved by Ross to adopt. Motion Carried: 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.