



**SAINT JOHN AIRPORT INC.
REQUEST FOR PROPOSAL (RFP)
PROFESSIONAL SERVICES - AUDITING
Date of Issue: February 22, 2011**

Saint John Airport Inc. (SJA) is inviting qualified professional accountants to submit proposals for **Auditing Services** for the fiscal period ending December 31, 2011 expiring not later than 5-years following the agreed date of commencement of service.

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I. BACKGROUND AND INTRODUCTION TO THE AIRPORT

ORGANIZATIONAL PROFILE: SAINT JOHN AIRPORT INC.

The Saint John Airport Inc. (the Corporation) was incorporated on February 19, 1997 under the companies Act of New Brunswick as a non-share capital, not-for-profit Corporation.

The Airport is a local, community 'not-for-profit' corporation managed, operated and maintained under a 60-year Ground Lease with the Federal Government ("Transport Canada") and is an active participant in the social and economic fabric of Greater Saint John and southern New Brunswick.

SJAI's primary focus is to support the business and leisure air travel objectives of business, residents and visitors to our region. Its key goals include:

- i) developing and maintaining effective air service connections for the traveling public and aviation customers;
- ii) providing facilities and services that meet or exceed the expectations of the traveling public and aviation customers;
- iii) meeting or exceeding all aerodrome operation standards and guidelines set by Transport Canada;
- iv) maintaining an effective, productive and motivated staff; and
- v) operating a fiscally responsible and financially viable and self-sustaining airport business enterprise.

Saint John Airport Inc. is governed by a 12 member board of directors nominated by various community and regional stakeholders. An Annual Nominators Meeting as well as an Annual General Meeting provides an opportunity for the Board to interact with its stakeholders. The Board meets formally on a quarterly basis supplemented by meetings of sub-committees including a Finance, Audit & Investment Committee.

SJAI operates under the Federal National Airports Policy, the Public Accountability Principals for Canadian Authorities, and the fundamental principles for the creation and operation of Canadian Airport Authorities. SJAI is a designated Airport Authority as defined in the Airport Transfer (Miscellaneous Matters) Act, S.C. 1992, c. 5. It is a provincially incorporated company and interacts primarily with the Federal Government of Canada; and, also, Provincial and Municipal authorities.

The Saint John Airport Inc. qualifies as a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.



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ADDITIONAL BACKGROUND INFORMATION

The following information is available to bidders upon request:

- Audited financial statements for the period ending December 31, 2010 and Interim internal financial statements for the 1 month period ending January 31, 2011
- Copy of the Corporation's letter patent & the Corporation's by-laws

II. SCOPE OF SERVICES

Saint John Airport Inc. is inviting qualified professional accountants to submit proposals for **Auditing Services** for the fiscal period ending December 31, 2011 expiring not later than 5-years following the agreed date of commencement of service.

Saint John Airport Inc. expects and requires that each audit will be completed prior to February 15 of the following fiscal year. The annual report including audited financial statements must be approved by the Board and available to various bodies no later than April 30. The audited financial statements are presented at the annual meeting generally held in early May. In addition to the audited statements the Saint John Airport requires that the auditors prepare a Tenant's Annual Statement in accordance with specific sections of the Ground Lease.

ACCOUNTING SET-UP

- The annual operating and capital budget is approved by the Board of Directors.
- Financial statements including an actual as compared to budget analysis are prepared monthly and presented by management to the Finance Audit & Investment Committee of the Board of Directors.
- Saint John Airport Inc. has in place the accounting system software Sage Accpac ERP.
- Payroll is processed by Ceridian Canada. Staff are paid bi-weekly via electronic transfer.
- There are three general operating bank accounts existing for the organization at Royal Bank of Canada and two corporate Visa accounts.
- Investments are managed by RBC Dominion Securities.

ANTICIPATED VOLUMES

- There are 32 staff persons comprised of 21 full-time employees and 11 seasonal employees. All employees, excluding 5 management employees, are unionized under the Public Service Alliance of Canada (PSAC).
- The Corporation is subject to HST and real property tax however is registered as exempt from the payment of HST on operating expenses.



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- The estimated annual total revenue for Saint John Airport is approx \$5.5 million/year. The corporation derives a significant amount of revenue from Air Canada and its subsidiaries and consequently is economically dependent on this customer.
- The estimated annual payables from operations (excluding payroll) is approx. \$2,200,000/year. In addition capital fund expenditures (excluding special projects) average approximately \$500,000 per year.

SUPPORT FROM SJA ADMINISTRATION

- Year-end working paper file documentation and all necessary year-end accounting work is performed by staff as well as the preparation all necessary government reporting requirements.
- Detailed systems descriptions for Accounts receivable, Accounts payable and payroll are prepared and updated annually.

III. PROPOSALS

CONTENT

Responses must conform to the requirements for this RFP. Saint John Airport Inc. reserves the right to waive any irregularity in any proposal or to reject any proposal for any reason. Saint John Airport Inc., on criteria determined by the corporation, will make selection of the proposing firm. The use of the term “firm” throughout this document means: Individual Proprietor, Partnership, Limited Liability Company, Corporation or Joint Venture.

Your proposal is expected to cover the following:

Experience and Responsibilities

1. Detail your firm’s experience in providing auditing services for not-for-profit companies and/or governmental entities.
2. Identify the in-charge accountant or manager and the staff who will be assigned to Saint John Airport Inc.’s account. Credentials and an outline experience must be provided for the identified in-charge accountant or manager and staff that will do the actual field work.
3. An outline of your audit approach in this specific case and your firm’s position with respect to management letters.

Fees

1. Projected fees for undertaking Saint John Airport Inc.’s audit for 2011 and projected fees for the following four (4) year renewal period.
2. A fee structure for any special and/or additional services which we may require.



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PROPOSAL RESPONSE INFORMATION

It is anticipated that the contract duration will be annual with an automatic renewal clause at the discretion of Saint John Airport Inc.. The Saint John Airport Inc. will expect the audit scope to include a management letter.

Interested and qualified firms must submit three (3) hard copies plus an accompanying electronic proposals copy in PDF format by April 1th, 2011 no later than 3:30 p.m. All late or incomplete submittals may be rejected. No verbal submittals will be accepted. Submittals must be addressed to:

**Saint John Airport Inc.
4180 Loch Lomond Road
Saint John, NB
E2N 1L7**

Mark your packages: Proposal for Auditing Services

All submissions will become the property of Saint John Airport Inc.

QUESTIONS

All questions must be directed to jbrown@sjairport.ca

The questions and responses will be circulated to all registered bidders. No phone contacts for questions please.