



**Q & A REQUEST FOR PROPOSALS  
PROFESSIONAL AUDIT SERVICES  
PORT KC – October 13, 2020**

**QUESTIONS & ANSWERS:**

1. Why is Port KC seeking proposals for professional audit services?
  - a. *Port KC is motivated to open up the work opportunity for two primary reasons: 1) allow for a competitive public procurement process and 2) seek occasional rotation of business.*
2. Is the previous auditor being asked to bid? If not, what disputes, if any, did Port KC have with its previous auditor?
  - a. *The previous auditor is being asked to bid. There are no disputes.*
3. What amount of time did the previous auditor spend on-site and with how big of an on-site team?
  - a. *The previous auditor typically completed the on-site work in 4 business days or less with an on-site team of 2 to 3 professionals.*
4. What was the nature of any adjusting journal entries that were made as a result of the fiscal year 2020 audit?
  - a. *There were two adjusting journal entries provided during the audit process, and neither were a result of the 2020 audit, but rather, they were proactively provided by the Port KC. Those two entries were for 1) eliminations between Port KC and Berkley Park Condominium Association (Condo) (see page 15 of Note A) for overlapping revenue/expense that impacted the government-wide financial statement (page 10) but were not eliminated for the governmental funds financial statement (page 13) and 2) expense accruals relating to relevant and material invoices that were received after the original trial balance was prepared. The adjusting entry to eliminate overlap between Port KC and the Condo is an expected annual adjusting journal entry.*
5. If a management letter detailing audit findings was delivered for the fiscal year 2020 audit, does Port KC expect to resolve those findings for the fiscal year 2021 audit?
  - a. *There were no findings in the management letter. There were some notes regarding the upkeep and documentation of internal controls, policies and procedures, and monitoring risks to information technology. The notes were forward-looking council and not findings. There was nothing that needed resolved.*
6. What was the fiscal year 2020 audit fee?
  - a. *The audit fee for the most recent audit of the financial statements was \$31,350. Interested proposers are reminded that cost, while not the primary factor in scoring proposals, will be considered.*
7. During fiscal year 2021, does Port KC expect to expend over \$750,000 in federal awards?
  - a. *No.*

8. What significant changes in operations or balances does Port KC expect in fiscal year 2021 (e.g. significant new debt, federal grant awards, etc.)?
  - a. There are no significant changes expected in operations. Significant changes to balances will include some sold land at Berkley Riverfront and completed construction of a storage dome at Woodswether Terminal.
  - b.
9. Is Port KC's general ledger maintained on a cash or accrual basis?
  - a. Port KC's general ledger is maintained on an accrual basis. Annual financial reports also include reporting for the modified accrual basis for the reports of the governmental funds.
  - b.
10. Are there any recent instances of fraud or other unusual situations at Port KC of which we should be aware?
  - a. No.