



**Francis Marion University
Amendment #1**

Solicitation Number	RFP-2458
Date Issued	11/06/2024
Purchasing Officer	Jennifer D Hester
Phone	(843) 661-1161
E-Mail Address	jdhester@fmarion.edu

DESCRIPTION: **Provide Financial Audit Services for Francis Marion University**

The Term "Offer" Means Your "Bid" or "Proposal".

SUBMIT OFFER BY (Opening Date/Time): **11/21/2024 at 2:00 PM EST** See "Deadline for Submission of Offer" provision

~~QUESTIONS MUST BE RECEIVED BY: 11/04/2024 at 2:00 PM EST See "Questions from Offerors" provision~~

NUMBER OF COPIES TO BE SUBMITTED: **One (1) original in hard copy (Technical Proposal), three (3) copies in hard copy clearly marked "COPY" (Technical Proposal), one (1) original in hard copy (Business Proposal), one (1) original in hard copy (Alternative Price Proposal), one (1) Redated Copy as Specified, and one (1) flash drive or other USB device as Specified.**

SUBMIT YOUR OFFER TO ONE OF THE FOLLOWING ADDRESSES IN A SEALED PACKAGE.

MAILING ADDRESS: Francis Marion University Purchasing Office P.O. Box 100547 Florence, SC 29502-0547	EXPRESS SHIPPING ADDRESS: Francis Marion University Central Receiving 4822 E. Palmetto Street Florence, SC 29506	HAND-DELIVERY: Francis Marion University Purchasing Office (Room 102) Stokes Administration Building 4822 E. Palmetto Street Florence, SC 29506
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CONFERENCE TYPE: **N/A**
DATE & TIME: **N/A**

LOCATION: **N/A**

AWARD &
AMENDMENTS

An **Intent to Award** will be posted at the Physical Address stated above on **12/16/2024**. The award, this solicitation, and any amendments will be posted at the following web address:
<http://www.fmarion.edu/procurement/solicitationsawards/>

You must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of thirty (30) calendar days after the Opening Date.

NAME OF OFFEROR (Full legal name of business submitting the offer)	OFFEROR'S TYPE OF ENTITY: (Check one)
AUTHORIZED SIGNATURE (Person signing must be authorized to submit binding offer to enter contract on behalf of Offeror named above.)	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (tax-exempt) <input type="checkbox"/> Corporate entity (not tax-exempt) <input type="checkbox"/> Government entity (federal, state, or local) <input type="checkbox"/> Other_
TITLE (Business title of person signing above)	
PRINTED NAME (Printed name of person signing above) DATE SIGNED	

(See "Signing Your Offer" provision.)

Instructions regarding Offeror's name: Any award issued will be issued to, and the contract will be formed with, the entity identified as the offeror above. An offer may be submitted by only one legal entity. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, *i.e.*, a separate corporation, partnership, sole proprietorship, etc.

STATE OF INCORPORATION
(If Offeror is a corporation, identify the state of Incorporation.)

TAXPAYER IDENTIFICATION NO.

(See "Taxpayer Identification Number" provision)

PAGE TWO

(Return Page Two with Your Offer)

<p>HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)</p>	<p>NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)</p> <hr/> <p>Address</p> <p>Area Code - Number - Extension Facsimile</p> <p>E-mail Address</p>
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<p>PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)</p> <p><input type="checkbox"/> Payment Address same as Home Office Address</p> <p><input type="checkbox"/> Payment Address same as Notice Address (check only one)</p>	<p>ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)</p> <p><input type="checkbox"/> Order Address same as Home Office Address</p> <p><input type="checkbox"/> Order Address same as Notice Address (check only one)</p>
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ACKNOWLEDGMENT OF AMENDMENTS
 Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)

Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

<p>DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)</p>	<p>10 Calendar Days (%)</p>	<p>20 Calendar Days (%)</p>	<p>30 Calendar Days (%)</p>	<p>_____ Calendar Days (%)</p>
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PREFERENCES - A NOTICE TO VENDORS: On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences.

PREFERENCES DO NOT APPLY WITH THIS SOLICITATION: Per Section 11-35-1524(E)(5) preferences do not apply to to procurements conducted pursuant to Section 11-35-1530 of the South Carolina Consolidated Procurement Code.

Amendment 1

RFP- 2458- Provide Financial Audit Services for Francis Marion University

AMENDMENTS TO SOLICITATION

- (a) The Solicitation may be amended at any time prior to opening.
- (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment.
- (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

Modifications

The following have been **added** or **changed/removed** or **emphasized**:

1) Cover Page, Page 1- Questions

~~QUESTIONS MUST BE RECEIVED BY: 11/04/2024 at 2:00 PM EST See "Questions from Offerors" provision~~

Questions Asked

Question 1	<p>Is Francis Marion open to offerors from out-of-state? On page two, there is a reference to the law within Section 11-35-1524 of the SC Code of Laws regarding preference given to in-state vendors. It does proceed to say that preference does not apply with this solicitation. On page twenty-five, the word "local" is used several times to refer to the firm's office. We respect any preference of Francis Marion. Our personnel are extremely experienced in governmental auditing and working efficiently and effectively through virtual platforms.</p> <p>Is there an openness to consider an out-of-state firm who will propose primarily virtual work?</p>
Answer	<p>We are open to considering any qualified candidates. However, FMU does prefer some on-site fieldwork.</p>
Question 2	<p>On page 24, the instructions read "All information should be presented in this order." It appears that "Cost Factor" (page 25) and "Compensation" (page 27) request that the costs be included in the proposal. On page 28, it appears that a Price Proposal shall be sealed in a separate envelope. We take our responsibility to compliance seriously. I feel compelled to ask for clarity.</p> <p>Should cost information be within the proposal and in a separate envelope labeled Price Proposal?</p>
Answer	<p>The technical proposal must not contain reference to cost. The Business Proposal cannot be included in the Technical Proposal. The Business Proposal must be in a separate sealed document.</p>
Question 3	<p>Should the technical proposal contain fees/price information? RFP requires separate business proposal.</p>
Answer	<p>The technical proposal must not contain reference to cost. The Business Proposal cannot be included in the Technical Proposal. The Business Proposal must be in a separate sealed document.</p>

Question 4	Should the RFP cover page and page two be included in the technical proposal as well or just in the cost and in the alt. financial proposals?
Answer	Only the Price/Business Proposal and the Alternative Financial Proposal require page 1 and 2 to be included, but for consistency, most Technical Proposals will also include Page 1 and 2, but it is not a requirement.
Question 5	Section A:Qualifications on page 27/61 - the bullets request a lot of the information requested in Section V Qualifications - Required information (page 31/61). Do you want this information duplicated or cross-reference sections when the same information is requested?
Answer	The technical proposal should be (preferably) tabbed for easy access to each section; and arranged in the required order. Offerors should restate each of the items and provide their response to that item immediately after. The technical proposal shall not contain reference to cost.
Question 6	RFP page 31: V. Qualifications. Qualifications – Required Information (Mar 2015). (b) notes: “A detailed, narrative statement listing the three most recent, comparable contracts (including contact information) which have been performed. For each contract, describe how the services provided are similar to those requested by this solicitation, and how they differ.” Can the three most recent comparable contracts be the same as the ones presented as references?
Answer	Yes, the three most recent comparable contracts can be the same as the ones presented as references.
Question 7	Are you satisfied with the current auditors (a) timeliness (b) pro-activeness on communications (c) involvement outside of the audit process and (d) value they provide to your organization?
Answer	Yes, we have been extremely satisfied with the current auditor’s timeliness, pro-activeness on communication, involvement outside of the audit process, and the value they provided to our organization.
Question 8	Has there been any disagreement with the current auditor firm? If yes, please provide some background on the issue.
Answer	There have been no disagreements with our current audit firm.
Question 9	What are the two most significant issues facing FMU in the next two years?
Answer	The two most significant issues facing FMU are potential decreases in state appropriations and the challenges of maintaining enrollment levels.
Question 10	Are there any improvements you would like to see in the audit process?
Answer	FMU is currently pleased with our audit process. However, if a new firm is selected, it is very important to establish clear guidelines and expectations at the start of the audit.
Question 11	In prior years, have there been any delays in the audit due to delays in receiving information from third parties or other reasons?
Answer	There have been no delays in the audit due to delays in receiving information from third parties or other reasons.
Question 12	Are there any significant regulatory issues facing FMU?
Answer	FMU is currently analyzing retirement rates and historical usage of employee sick leave to reach an appropriate estimate required by GASB 101.
Question 13	Have there been any recent audits from the Department of Education, State auditors, IRS or other sources?
Answer	During the 23-24 fiscal year, our current auditors were contracted by the Commission on Higher Education, as required by state statute, to conduct an agreed upon procedure of the lottery funded state scholarships.
Question 14	May we be provided with copies of any management letters, if issued, in FY23 and FY24?
Answer	The management letters are provided below in Exhibit 1 and 2.
Question 15	Do you anticipate any new or significant changes in the volume or types of federal awards expenditures at the University in FY25 through FY29?

Answer	FMU does not expect any significant changes to federal awards expenditures.
Question 16	Is there a budgeted amount for these services?
Answer	Budgets will be established after the RFP process is complete.
Question 17	Will the University draft the full audit report including financial statements and footnotes?
Answer	FMU will draft the full audit report including financial statements and footnotes.
Question 18	Are non-attest services by the auditor typically required?
Answer	Non-attest services are not typically required.
Question 19	Is there adequate continuity of staff for the audit period? If not, what position(s) experienced significant turnover.
Answer	The longevity of key accounting and finance personnel will provide continuity and institutional knowledge throughout the audit process.
Question 20	Is the finance department adequately staffed with minimal vacancies?
Answer	Currently, there are no vacancies in the accounting and finance departments.
Question 21	Will there be a substantial change in Federal awards compared to June 30, 2024?
Answer	FMU does not expect any significant changes to federal awards expenditures.

Exhibit 1 for Question 14:

MEMBERS
AMERICAN INSTITUTE OF CPAS
PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS
GOVERNMENTAL AUDIT QUALITY CENTER

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

ALBERT B. CLINE, CPA (1923-2013)
RAYMOND H. BRANDT, CPA
BEN D. KOCHENOWER, CPA, CICA, CGMA
TIMOTHY S. BLAKE, CPA/PFS
BRANDON A. BLAKE, CPA
LAURA S. ARANGO, CPA
JONATHAN CRUZ, CPA

September 25, 2024

To the Board of Trustees
Francis Marion University

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Francis Marion University, a discretely presented component unit of the State of South Carolina, for the year ended June 30, 2024, and have issued our report thereon dated September 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit (Francis Marion University Education Foundation) as described in our report on Francis Marion University's financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Francis Marion University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether Francis Marion University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about Francis Marion University's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Francis Marion University's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Francis Marion University's compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of Francis Marion University. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Post Office Box 848, 1225 West Floyd Baker Boulevard, Geffney, SC 29542-0848, (804) 488-7121 Fax (804) 488-7123
Post Office Box 181800, 145 Rogers Commerce Boulevard, Bolling Springs, SC 29818-1800, (804) 541-0218 Fax (804) 541-0221
Internet Address: www.cbtpa.com

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Francis Marion University are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the University 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 are as follows:

Management's estimate of the allowance for uncollectible receivables, which is based on historical collection rates and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance amount in determining its reasonableness in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and other postemployment benefits other than pensions (OPEB) liability and the related deferred outflows and inflows are based on actuarial study and several assumptions. We evaluated the key factors and assumptions used in the South Carolina Public Employee Benefit Authority (PEBA) report in determining that they are reasonable in relation to the financial statements as a whole.

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

The disclosure on long-term debt on Note 13. This note describes the revenue bonds with an outstanding balance at the end of the fiscal year.

The related party disclosures and component unit disclosures in Note 16 describe the relationships and various transactions by and between the University and the foundations.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 September 25, 2024.

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" in certain situations. If a consultation involves the application of an accounting principle to the University'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 University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

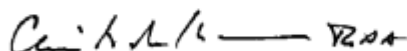
Other Matters

We applied certain limited procedures to Management Discussion and Analysis (MD&A), the schedules of the University's proportionate share of net pension liability and contributions, and the schedules of the University's proportionate share of other postemployment benefits other than pensions (OPEB) liability and contributions which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards (SEFA) but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the statements themselves.

This information is intended solely for the information and use of the Board of Trustees and management of Francis Marion University and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Cline Brandt Kochenower & Co. P.A.

Francis Marion University
 Summary of Audit Differences
 June 30, 2024

		Current Year Over (Under) Assets, Liabilities, Revenues, Expenses and Changes In Net Assets
Unadjusted Audit Differences:		<u>\$</u>
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____

Cumulative Effect (Before Effect of Prior year Differences)		
Effect of Unadjusted Audit Differences - Prior Year:		
_____		_____
_____		_____
Cumulative Effect (After Effect of Prior Year Differences)		<u>\$</u>

	Balance Sheet	Current Year Over (Under) Assets, Liabilities, Revenues, Expenses and Changes In Net Assets
Reclassification Adjustments:		
_____	<u>\$</u>	<u>\$</u>
_____	_____	_____
_____	_____	_____

Exhibit 2 for Question 14:

MEMBERS
AMERICAN INSTITUTE OF CPAS
PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS
GOVERNMENTAL AUDIT QUALITY CENTER

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

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TIMOTHY S. BLAKE, CPA/PFS
BRANDON A. BLAKE, CPA
LAURA S. ARANGO, CPA

September 29, 2023

To the Board of Trustees
Francis Marion University

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Francis Marion University, a discretely presented component unit of the State of South Carolina, for the year ended June 30, 2023, and have issued our report thereon dated September 29, 2023. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit (Francis Marion University Education Foundation) as described in our report on Francis Marion University's financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Francis Marion University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether Francis Marion University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about Francis Marion University's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Francis Marion University's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Francis Marion University's compliance with those requirements.

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We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Francis Marion University are described in Note 1 to the financial statements. As described in Note 1 to the financial statement, the University adopted new accounting guidance, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment (PPP) Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year June 30, 2023. We noted no transactions entered into by the University 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 are as follows:

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Management's estimate of the net pension liability and other postemployment benefits other than pensions (OPEB) liability and the related deferred outflows and inflows are based on actuarial study and several assumptions. We evaluated the key factors and assumptions used in the South Carolina Public Employee Benefit Authority (PEBA) report in determining that they are reasonable in relation to the financial statements as a whole.

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

The disclosure on long-term debt on Note 13. This note describes the revenue bonds that has outstanding balance at the end of fiscal year.

The related party disclosures and component unit disclosures in Note 16 describes the relationships and various transactions by and between the University and the foundations.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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.

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Other Audit Findings or Issues

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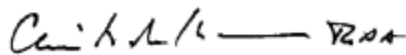
Other Matters

We applied certain limited procedures to Management Discussion and Analysis (MD&A), the schedules of the University's proportionate share of net pension liability and contributions, and the schedules of the University's proportionate share of other postemployment benefits other than pensions (OPEB) liability and contributions which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards (SEFA) but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the statements themselves.

This information is intended solely for the information and use of the Board of Trustees and management of Francis Marion University and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Cline Brandt Kochenower & Co. P.A.

