

Research Triangle High School

RTHS Finance Committee Meeting

Date and Time

Thursday April 9, 2026 at 9:00 AM EDT

Location

Join Zoom Meeting

<https://rtp-org.zoom.us/j/85230571593?pwd=KS3gaSaAcidi4b2yuRt4TDPf40sEzrH.1>

Meeting ID: 852 3057 1593

Passcode: 897069

The RTHS Finance Committee meets on the second Wednesday of each month, except in December and July. Meetings are held virtually.

Agenda

	Purpose	Presenter	Time
I. Opening Items			9:00 AM
A. Record Attendance		Carolyn Coia	1 m
B. Call the Meeting to Order		Carolyn Coia	1 m
C. Approve Minutes	Approve Minutes	Carolyn Coia	3 m

Approve minutes for RTHS Finance Committee Meeting on March 11, 2026

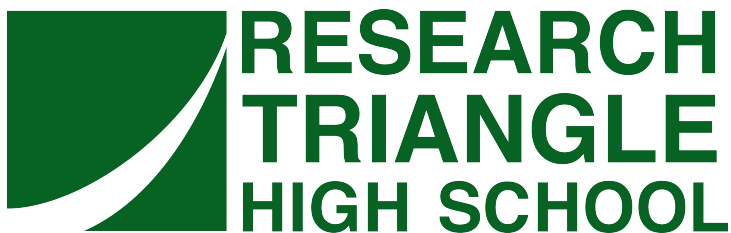
	Purpose	Presenter	Time
II. Finance Committee Business			9:05 AM
A. Finance Committee	Discuss	Alex Drake	35 m
<ul style="list-style-type: none"> • Review Prior Month Financials • Personnel Updates (as required) • Unallocated spend/ re-distribution • FY26-27 budget • Audit proposals 			
B. Recommend Budget Approval	Vote	Carolyn Coia	3 m
Recommend approval for FY26-27 Budget			
C. Staff Contracts	Vote	Carolyn Coia	3 m
Recommend approval of staff contracts proposed			
III. Other Business			9:46 AM
A. Other Business	Discuss	Carolyn Coia	5 m
IV. Closing Items			9:51 AM
A. Adjourn Meeting	Vote	Carolyn Coia	5 m

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for RTHS Finance Committee Meeting on March 11, 2026

APPROVED



Research Triangle High School

Minutes

RTHS Finance Committee Meeting

Date and Time

Wednesday March 11, 2026 at 9:00 AM

Location

Join Zoom Meeting

<https://rtp-org.zoom.us/j/85230571593?pwd=KS3gaSaAcidi4b2yuRt4TDPf40sEzrH.1>

Meeting ID: 852 3057 1593

Passcode: 897069

The RTHS Finance Committee meets on the second Wednesday of each month, except in December and July. Meetings are held virtually.

Committee Members Present

A. Griffin (remote), C. Coia (remote), E. Cunningham (remote), S. Hunter (remote)

Committee Members Absent

None

Guests Present

A. Drake (remote), N. Lightner (remote)

I. Opening Items

A. Record Attendance

B.

Call the Meeting to Order

C. Coia called a meeting of the Finance Committee of Research Triangle High School to order on Wednesday Mar 11, 2026 at 9:01 AM.

C. Approve Minutes

E. Cunningham made a motion to approve the minutes from RTHS Finance Committee Meeting on 02-11-26.

C. Coia seconded the motion.

The committee **VOTED** to approve the motion.

D. Approve Minutes - Special Finance Committee

E. Cunningham made a motion to approve the minutes from Special Finance Meeting on 03-02-26.

C. Coia seconded the motion.

The committee **VOTED** to approve the motion.

II. Finance Committee Business

A. Finance Committee

- Annual budget surplus increased to \$339K (Durham increase to funding) and DSCR at 1.64
 - Discussed overage uses
- Looked at quotes to move bond funds to CDs or money markets
 - Evaluate if debt reserve fund could move to CD
- FY 26-27 Budget - putting 3% increases on Durham and Wake revenue
- EC Funding Excess - projected to use all of funding this and/or next year (and will at a minimum spend the minimum balance required to be exhausted)

B. Proposed Surplus Spend

E. Cunningham made a motion to Recommend the Board approve spend \$110,340 on storage sheds, LED school zone signs on NC54, laptops for staff refresh, event hosting infrastructure (pending review of lease option on poster printer), laptop checkout stations (pending additional info on warranty, subscription/servicing fees).

C. Coia seconded the motion.

\$110,340

- \$9.5K storage sheds for robotics and student services
- \$3.8K LED school zone signs on NC54
- \$70K faculty device refresh
- \$25K laptop checkout stations
- \$2.8K event hosting infrastructure (chairs, tables, AV equipment

The committee **VOTED** unanimously to approve the motion.

C. Bond Funds to Money Market

S. Hunter made a motion to Recommend Board approval to move bond funds to money market (current APR 3.5%) pending confirmation that a CD is not an option.

C. Coia seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:48 AM.

Respectfully Submitted,

C. Coia

Coversheet

Finance Committee

Section: II. Finance Committee Business

Item: A. Finance Committee

Purpose: Discuss

Submitted by:

Related Material:

Research Triangle High School 2026 Audit Engagement Letter.pdf

Audit and Tax Proposal.pdf

FY2026 Audit and Tax Engagement Fees – Research Triangle High School.pdf

RTHS FY 2025-26 Budget Update 3.31.26 - V2.pdf



February 4, 2026

Board of Directors

Research Triangle High School
3106 East NC Highway 54
Durham, NC 27709

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund, and the aggregate remaining fund information (if applicable), including the disclosures, which collectively comprise the basic financial statements, of **Research Triangle High School** as of and for the year ended **June 30, 2026**. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement **Research Triangle High School's** basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to **Research Triangle High School's** RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies **Research Triangle High School's** financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole

- 1) Schedule of expenditures of federal and state awards.
- 2) The combining and individual fund statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Research Triangle High School's** compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of **Research Triangle High School's** major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on **Research Triangle High School's** compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information

(including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on **September 1, 2026**.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have

changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of **Research Triangle High School** in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement if your school meets federal single audit requirements, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to **Research Triangle High School**; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of **Rebekah Barr, CPA PC** and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Department of Public Instruction or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of **Rebekah Barr, CPA PC** personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of Public Instruction. If we are aware that a federal

awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Rebekah Barr, CPA PC, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately **July 1, 2026** and to issue our reports no later than **October 31, 2026**.

Our fee for these services will be **\$7,500**. If the school would like us to prepare their annual 990 tax return, that will be an additional fee of **\$950**. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. The school will also be billed for all bank confirmations or any other incidental costs in addition to services rendered.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to The Board of Directors of **Research Triangle High School**. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

We appreciate the opportunity to be of service to **Research Triangle High School** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Rebekah Barr, CPA PC

contact@rbarrcpa.com

RESPONSE:

This letter correctly sets forth the understanding of **Research Triangle High School**

Management signature: _____

Title: _____

Date: _____



**SHARPE
PATELCPA**

CONTEMPORARY SCIENCE CENTER, INC.

PROPOSAL FOR AUDIT AND TAX SERVICES

JACOB ALLEN, CPA

AUDIT PARTNER

5510 SIX FORKS ROAD, SUITE 140

RALEIGH, NC 27609

919-880-8500

jacob@sharpepatelcpa.com

www.sp.cpa



Letter of Transmittal

March 19, 2026

Contemporary Science Center, Inc.
Research Triangle Park, North Carolina

To Management and the Board of Directors:

Enclosed is our proposal and response to School's request for audit and tax services for the year ended June 30, 2026. We appreciate the opportunity to propose on these services. I believe the School will find that we are qualified to perform the requested services. Jacob Allen, the proposed audit partner in charge has 16 years' experience working with charter schools throughout North Carolina. We would be glad to discuss our firm and services and answer any questions or concerns the School may have concerning our proposal. We look forward to the School's decision.

Thank you.

Sincerely,

Sharpe Patel PLLC

Jacob Allen, CPA

AN EXPERIENCED CPA FIRM PROVIDING QUALITY AUDIT AND TAX SERVICES



At Sharpe Patel PLLC we are committed to exceeding our client's expectations and we pride ourselves on the ability of our team to provide a personal and unique experience. Our goal with every client is to provide exceptional customer service through accessibility, efficiency, quality and knowledge of our clients on a personal level.

Simply put, we are driven to go beyond the numbers . . .

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ABOUT US

Sharpe Patel PLLC was formed by Jay Sharpe and Aaron Patel in 2020 with the belief that audit and tax services can be provided efficiently while still being cost effective and maintained on a personal level. While the focus of our services have been in North Carolina, we have been engaged by clients as far as Texas. Our approach is simple, we begin every assignment with an individual view and adapt our methods to meet the specific needs of each of our clients.

When you engage Sharpe Patel PLLC, you can be confident that you will be working with experienced professionals every step along the way.

COMPETENCE



OUR LOCATIONS

We Are located throughout the state of North Carolina with offices in Raleigh, Charlotte and our newest location, Wilmington.

FIRST SECTION

FIRM PROFILE

While Sharpe Patel PLLC is relatively new (formed in 2020), its team members are not. Jay Sharpe and Aaron Patel formed the Firm to give better service to clients across all industries including the governmental and nonprofit sectors. Sharpe Patel PLLC currently has offices in Raleigh, Wilmington and Charlotte.

GOVERNMENTAL EXPERIENCE

Sharpe Patel PLLC has a dedicated team of professionals knowledgeable in government accounting, audit and financial reporting. With numerous years of experience in the public sector, our auditors possess the knowledge and capability to support your government's auditing and assurance needs. Our support structure, resources and training are devoted to providing governments with accurate, prompt, and efficient audits and financial related services. With an in-depth knowledge of single audits, the latest GASB pronouncements, Annual Comprehensive Financial Reports and state and federal regulations, we aim to provide each of our clients with the most efficient audit and long-term guidance possible. Our focus lies on exceptional customer service which we accomplish through accessibility, efficiency, quality and knowledge.

The experience and capabilities of our governmental audit team includes work in the following areas:

- Financial Audits, reviews and compilations
- Single Audits, under both Federal and North Carolina requirements.
- Yellow Book Audits
- Program Specific Audits
- Agreed-upon Procedures
- Forensic Audits / Examinations
- Risk Assessment
- Staff Training Seminars
- Internal Control Studies
- Financial Statement Preparation
- Forecasted Financial Statements

SINGLE AUDIT

All government agencies that *spend* more than \$1,000,000 in federal funds during a fiscal year are required by the Office of Management and Budget (OMB) to have a single audit(s) performed. In addition, government agencies that *spend* more than \$1,000,000 in state funds during a fiscal year are required under the North Carolina State Single Audit Implementation Act to have a single audit(s) performed. Our team have extensive experience with single audit and have performed yellow book and single audits for numerous governments on a variety of federal and state programs. We will review the School's accounting records and determine the need for a single audit meeting the criteria noted above. As part of our single audit, we will evaluate the School's internal controls over grant compliance and the financial statements. We will develop a risk-based audit program and determine if the City is meeting all compliance and financial requirements associated with their federal and state grants. Once complete, we will assist the School with the submission of their single audit reporting package to the Federal Audit Clearinghouse or other required authoritative body.



STAFFING

The School's assigned engagement team will consist of a lead partner, senior manager, senior auditor, and experienced audit associate(s), who will work both onsite, at the School's location, and at the firm offices for the duration of the audit. The Firm from time to time utilizes college students under its internship program (if this will be an issue, please let us know). Our partners maintain a high degree of client involvement during the engagement process.

MEET THE TEAM



Jacob Allen, CPA will be the partner in charge for the School's audit. Additional information on our team is as follows:

Jay E. Sharpe, Partner – Audit Partner

Jay E. Sharpe, CPA, CFE is the Raleigh office's partner and serves as the firm's Director of Auditor Services. Jay has over 25 years of experience in auditing various government agencies. His work experience includes working with a variety of Towns and Cities, Charter Schools, Boards of Education, Community Colleges and State Agencies. Jay previously worked for the Office of the State Auditor. In addition to his auditing experience, Jay performs forensic and fraud investigative services. He has led seminars in the past on preventing fraud and is the past President of the Board of Directors for the Central Carolina Chapter of the Association of Certified Fraud Examiners.



Community Involvement

- Former Treasurer on the Board for the SPCA of Wake County.
- Jay teaches accounting and auditing classes at Wake Tech
- He has serviced as a volunteer reviewer for the GFOA.

Education and Licenses

- Bachelor of Science in Accountancy – The University of North Carolina at Wilmington
- Master's in science in Accountancy – The University of North Carolina at Wilmington
- Licensed as a Certified Public Accountant in North Carolina (license # 27818)
- Licensed as a Certified Fraud Examiner

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

Continuing Professional Education

Jay maintains CPE hours as required under current standards including Yellow Book CPE hours. He has taken over 40 credit hours per year including annual ethics requirements, annual audit updates, fraud seminars and attended the local government and not-for-profit conferences held by the NCACPA. Jay has also led seminars on fraud and auditing techniques during the past three years.

Jacob Allen, Audit Partner

Jacob Allen, CPA, is a Senior Audit Manager in the Raleigh office of Sharpe Patel PLLC. Jacob practices in the areas of auditing and attestation. He has over ten years of experience in public accounting and his areas of expertise including towns, boards of education, charter schools, HUD properties and other government agencies.



Education and Licenses

- Bachelor of Business Administration in Accounting – Campbell University
- Master of Accountancy – North Carolina State University
- Jacob is licensed as a Certified Public Accountant in the State of North Carolina (#37400).

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)

Continuing Professional Education

Jacob maintains CPE hours as required under current standards including Yellow Book CPE hours. He has taken over 40 credit hours per year including annual ethics requirements, annual audit updates, fraud seminars and attended the local government and not-for-profit conferences held by the NCACPA.

Leizl Pawlyk, Audit Manager

Leizl Pawlyk, CPA, is an audit manager in the Raleigh office of Sharpe Patel PLLC. Leizl practices in the areas of auditing and attestation. Leizl has experience in areas including governments, charter schools, Boards of Education, not-for-profit organizations, captive insurance, HUD properties, and EMS units.



Education and Licenses

- Bachelor of Science in Accounting – North Carolina State University
- Master of Accounting – North Carolina State University
- Leizl is licensed as a Certified Public Accountant in the State of North Carolina (#43181).

Professional Affiliations

- Association of Certified Fraud Examiners (ACFE)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Central Carolina Chapter of the Association of Certified Fraud Examiners

Continuing Professional Education

Leizl has maintained required CPE levels by taking over 40 credit hours per year including annual ethics requirements, annual audit updates, courses on recently released FASB standards, and attended the local government and not-for-profit conferences held by the NCACPA.

Jacob Tripp, Audit Manager

Jacob Tripp, CPA is an audit manager in the Raleigh office of Sharpe Patel PLLC. Jacob practices in the areas of auditing and attestation. Jacob has experience in areas including governments, charter schools, Boards of Education, not-for-profit organizations, captive insurance, HUD properties, and 401(k) employee benefit plans.



Education and Licenses

- Bachelor of Science in Accounting – Towson University
- Jacob is licensed as a Certified Public Accountant in the State of North Carolina (#44903).

Professional Affiliations

- North Carolina Association of Certified Public Accountants (NCACPA)

Continuing Professional Education

Jacob has maintained required CPE levels by taking over 40 credit hours per year including annual ethics requirements, annual audit updates, courses on recently released FASB standards, and attended the local government conference held by the NCACPA.

Sarah Jones, Senior Audit Associate

Sarah Jones is an Audit Senior Associate in the Raleigh office of Sharpe Patel PLLC. Sarah practices in the areas of auditing and attestation. She has experience working with governmental, not-for-profit, charter schools, captive insurance, and affordable housing properties.

Education and Licenses

- Bachelors of Science in Accounting – Meredith College
- Bachelors of Science in Economics – Meredith College

Professional Affiliations

- North Carolina Association of Certified Public Accountants (NCACPA)

Continuing Professional Education

Sarah's continuing education includes attendance at courses concentrating on audit and attestation services for clients in a variety of industries including not-for-profits.



Sarah has maintained required CPE levels by taking over 40 credit hours per year including annual ethics requirements, annual audit updates, courses on recently released FASB standards, and attended the local government held by the NCACPA.

Megan Ridgely, Tax Partner

Megan Rushford, CPA, is a Tax manager in the Raleigh office of Sharpe Patel PLLC. Megan practices in the area of taxation. She has ten years of experience in public accounting. Megan has a wide range of experience in the areas of individual, not-for-profit, partnership and corporate tax.

Education

- Bachelor of Science in Business Administration, Accounting Major—West Virginia University
- Master of Professional Accountancy—West Virginia University

Licenses and Accreditations

- Megan is a licensed Certified Public Accountant in North Carolina (# 43737).
- Additional state licenses include South Carolina (License # 9932) and West Virginia (License # 5063)



Professional Affiliations

- American Institute of Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- West Virginia Society of Certified Public Accountants (WVSCPA)

Continuing Professional Education

Megan completes a minimum of 40 hours of continuing professional education annually. She attends courses focused on federal and state taxation to maintain knowledge of current tax laws.

These are just resumes for a few of our staff. Our complete charter school team is composed of :

- Audit partner

- Senior Audit manager
- Two Audit managers
- Two Senior Tax managers
- Four Senior Audit Associates
- Four Audit Associates
- Several Tax Associates

STAFF COMMITMENT

The Firm is fully committed to having a consistent team on the School's audit year in and year out. We understand from our experience taking on new audits, one of the biggest complaints by new clients is that the prior audit firm constantly changed staff on their audit team. We have had no turnover in our audit team the last two years.

EDUCATION



It is the policy of the Firm that all audit staff maintain at the very minimum 40 hours of continuing professional education on an annual basis, rather they have their CPA license or not. This is done through a combination of in-house training, AICPA and NCACPA seminars and other methods. All staff assigned to the School's audit will have sufficient Yellow Book CPE.

PEER REVIEW AND QUALITY CONTROL

Sharpe Patel PLLC is a member of the American Institute of Certified Accountants (AICPA) peer review programs. The AICPA Peer Review Program requires enrolled firms to have a peer review conducted by an independent evaluator, once every three years of their accounting and auditing practice. Such review assures that the services we provide to our

clients meet the highest level of standards in the accounting profession. In addition, it is the policy of our Firm that our quality control system be monitored on an ongoing basis to provide the Firm with reasonable assurance that the policies and procedures established by the Firm for each of the other quality control elements (including quality control elements and activities not formalized in writing) of quality control are suitably designed and are being effectively applied. The adequacy and effectiveness of the Firm's quality control system is monitored on an ongoing basis by the Firm's quality control partner. As an integral part of the monitoring process, our quality control system is inspected annually to determine whether the Firm has complied with its stated quality control policies.

A copy of our latest peer review with a PASS rating can be found in Appendix A.

REGULATORY ACTIONS

No regulatory actions have been taken against the Firm or any of its staff.

INDEPENDENCE

In accordance with the quality control document of the Firm all professional personnel must be familiar with and adhere to the independence, confidentiality integrity, and objectivity rules, regulations, interpretations, and Rulings of the AICPA, the State of North Carolina Board of Accounting, the State of North Carolina CPA Society, state statutes, and other State or regulatory agencies where applicable. Independence, Confidentiality, Integrity, and Objectivity Representation is required by all personnel when hired and annually thereafter.

Independence on all audit engagements is reviewed on an annual basis to ensure compliance with all rules that govern this topic. We have reviewed our independence in association with this proposed engagement and in all matters relating to the audit of the School, Sharpe Patel PLLC is independent in fact and appearance.

INSURANCE COVERAGE

The Firm presently carries the following insurance policies:

1. Worker's Compensation - The Firm maintains Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage.
2. Commercial General Liability –General Liability Coverage on a Comprehensive Broad Form on an occurrence basis.
3. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract.
4. Professional Liability - Professional Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

All insurance meets the laws of the State of North Carolina. Insurance coverage is obtained from companies that are authorized to provide such coverage and are authorized by the Commissioner of Insurance to do business in North Carolina. The Firm shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Firm shall not be interpreted as limiting the contractor's liability and obligations under the contract.

If awarded the contract, we will be glad to provide a COI.

CHARTER SCHOOL CLIENTS

Below is a list of some of our charter school clients the Firm and / or team have worked with (we currently audit > 70 charter schools):

<u>Client</u>	<u>Services</u>	<u>Years</u>
Matthews Charter Academy	Financial statement audit and single audit	4
Winterville Charter Academy	Financial statement audit and single audit	4
Johnston Charter Academy	Financial statement audit and single audit	3
Phoenix Academy	Financial statement audit and single audit	20
Queens Grant Charter Academy	Financial statement audit and single audit	2
Northeast Academy for Aerospace & Advanced Technologies	Financial statement audit and single audit	6
Cape Fear Center for Inquiry	Financial statement audit and single audit	20
The Academy of Moore County	Financial statement audit and single audit	6
North East Carolina Preparatory Academy	Financial statement audit and single audit	7
Neuse Charter School of Johnston County	Financial statement audit and single audit	6
A.C.E. Academy	Financial statement audit and single audit	6
Bethany Community Middle School	Financial statement audit and single audit	20
Uwharrie Charter Academy	Financial statement audit and single audit	4
Water's Edge Village School*	Financial statement audit	7
Central Wake High School	Financial statement audit and single audit	4
Commonwealth High School	Financial statement audit and single audit	5
Stewart Creek High School	Financial statement audit and single audit	5
Lakeside Charter Academy	Financial statement audit and single audit	4
The Capitol Encore Academy	Financial statement audit and single audit	7
Evergreen Community Charter	Financial statement audit and single audit	2
The Experiential School of Greensboro	Financial statement audit and single audit	5
G.L.O.W Academy	Financial statement audit and single audit	3
Durham Charter School	Financial statement audit and single audit	7
Shining Rock Classical Academy	Financial statement audit and single audit	2
Charlotte Secondary Academy	Financial statement audit and single audit	2
Henderson Collegiate Academy	Financial statement audit and single audit	1
Eno River Academy	Financial statement audit and single audit	1
East Wake Academy	Financial statement audit and single audit	1

ADDITIONAL SERVICES

The Firm from time to time provides other services for government agencies. A few examples of these additional services include:

- Conducted a three-year forensic audit for a Housing Authority.
- Conducted a forensic audit for a Town.
- Conducted pension testing as required by the Local Government Commission for several Boards of Education, Towns and other government agencies throughout the years.
- Conducted a vendor audit for a Board of Education.
- Prepared forecasted financial statements for USDA loan applications for several Towns and charter schools.

REFERENCES

We invite you to contact the following personnel for the purpose of verifying our experience:

Uwharrie Charter Academy
Asheboro, NC

Ryan Nelson, CFO
ryan_nelson@uwharriecharter.org
(336) 610-0818

Northeast Academy for Aerospace &
Advanced Technologies
Elizabeth City, NC

Holly Luther, Finance & Human Resources
hollyluther@northeastacademy.org
(252) 562-0653

Cape Fear Center for Inquiry
Wilmington, NC

Susan Graziano
sgraziano@cfc.net

Additional references available upon request.

SECOND SECTION

OUR AUDIT APPROACH



Sharpe Patel PLLC implements a unique audit strategy for each audit it conducts utilizing a risk-based audit approach. This allows us to perform financial statement audits of governmental entities efficiently and effectively in accordance with auditing standards generally accepted in the United States of America (GAAS). This is accomplished by obtaining an understanding of the School and its environment to sufficiently assess the risk of material misstatement. Audit procedures are then designed and performed in response to the risk of material misstatement.

Our goal in this is to reduce the burden on School staff as much as possible while adhering to the established timeline. Our audit will be conducted in accordance with the following standards (as applicable):

- Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants.
- Financial Audit Standards established by the General Accounting Office's Government Auditing Standards.
- All provisions of the Uniform Guidance and the U.S. Office of Management and Budget (OMB) single audits of states, local governments and not-for-profit organizations.

PLANNING (PHASE ONE)

The planning phase involves developing the overall audit strategy for the expected activities, organization, and staffing of the audit. We will plan the audit to respond to the assessment of the risk of material misstatement based on our understanding of the School, its environment, and internal controls.

Our understanding of the School and its environment will include the following:

- Economic, regulatory, and other external factors;
- Nature of the School;
- Objectives, strategies and related risks that may cause material misstatement of the financial statements;
- Measurement and review of the School's financial performance;
- Evaluation of Internal controls (see below for more details on this step)

In addition, we will calculate our initial materiality during the planning phase. This will assist in establishing the extent of our audit procedures.

EVALUATION OF INTERNAL CONTROLS

As part of the planning process, audit standards require that we obtain an understanding of the School sufficient to evaluate the design of the internal controls and to determine whether they have been implemented. Our understanding of the School's internal controls will focus on five areas:

1. the control environment;
2. risk assessment;
3. information and communication systems;
4. control activities and;
5. monitoring controls.

To gain that knowledge and complete our control evaluation, we will use a combination of the following procedures:

- Conduct interviews of selected management and staff;
- Submit questionnaires to select management and staff
- Evaluate the School's financial reporting and management policies, budget documents and process, and informational systems;

In addition if based on the knowledge gained from the step above, we feel we can rely on the School's internal controls in place, we may conduct the following on certain significant reporting areas:

- Test the design and implementation of selected key controls by performing a walk-through of the selected transaction class;
- Test the operating effectiveness of selected controls that were deemed appropriate.

As we noted previously, we utilize a risk-based audit approach. The evaluation of internal controls will enable us to assess inherent and controls risk over all the significant financial reporting areas of the School and allow us to identify and assess the risk of material misstatement within the School to form our overall audit plan and design the extent, nature, and timing of substantive audit procedures to mitigate that risk to an acceptable level.

AUDIT PROGRAMS

Once our initial risk assessment is completed, we will develop audit programs that lay the road map for our audit procedures during the fieldwork phase of the audit. Our audit programs are combinations of programs made in house and programs which are issued by governmental authorities and private publishers such as Practitioners Publishing Company (PPC). We generate unique programs for each audit based on the client's industry and our risk assessment software. The use of this risk assessment software allows us to assess risk to each individual section of the financial statements and to generate additional tasks for higher risk areas. We are able to customize the programs as needed. We subscribe to the governmental industries from PPC and CCH.

AUDIT FIELDWORK (PHASE TWO)

As noted above, based on the results of our risk assessment and internal control evaluation, audit procedures will be designed. Our audit procedures will be designed to concentrate on identified high risk areas. However, we will touch all significant reporting areas during fieldwork. We will use tests of details, substantive analytical procedures, or a combination of the two to conclude on the reasonableness of the given transaction class or account balance.

By utilizing a blend of substantive testing (vouching underlying transactions to support), and substantive analytical testing (testing data through overall and stratified analysis), we are able to cover significant ground while still getting a quality level of detailed depth to our testing. Striking a good balance and not over relying on one type of testing over the other is integral to a thorough and efficient audit.

Substantive procedures are an integral part of a thorough audit. Significant transactions must be supported evidentially, and when they cannot be supported, that may be a symptom of a potential material misstatement or other systematic issue. Under the standards, we are to design and conduct our procedures to gain *sufficient* audit evidence to render an opinion on the financial statements.

STATISTICAL SAMPLING

We will use a combination of statistical and non-statistical sampling in our audit approach. We will determine which method to use based on auditor judgment during planning and creation of procedures. Statistical sampling will include use of either simple random sampling using a random number generator or interval sampling. Non-statistical sampling will include use of judgmental selection and haphazard selection. Audit procedures performed on selected samples along with analytical procedures will be used to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding the financial statements under audit. When appropriate, we will also use Dual-Purpose Sampling to test the operating effectiveness of controls and tests of the recorded monetary amounts, minimizing the time spent on repetitive tasks, thereby saving audit costs. The sample sizes will be directly related to the assessment of the inherent risk and the control risk of the entity.

COMPUTER AUDIT SPECIALIST

We do use a computer audit specialist when a need arises. However, due to the heavy investments that our Firm has made in technology and the knowledge that our staff has, we are typically able to handle computer related issues without the need of a specialist. Our staff will obtain an understanding of the internal controls surrounding the computer systems to identify any potential weakness that may have a direct and material impact on the financial statements, and we will make recommendations directly to management in areas where weaknesses are identified.

CLIENT ASSISTANCE METHODOLOGY

Prior to the start of field work, we will schedule a meeting (entrance conference) to discuss the desired timeframe, estimated report delivery, and extent of management and auditor responsibilities as it relates to the audit. We will also provide a detailed list of requests, "PBC List", that will provide the items needed for the audit, and a link to our secure file sharing system where those items can be uploaded. This streamlines the audit approach and allows us to get information in the most efficient

manner possible. Our Firm uses state of the art technology in addition to e-mail and file sharing as much as possible, eliminating all unnecessary paper and removing geographic limitations. We customarily utilize paperless and electronic engagement software in the field to share data with staff working on the same engagement using the “cloud” and ProSystem Engagement.

We fully understand that minimizing costs is a high objective of both the Firm and the School. In order to accomplish this, we do expect complete cooperation from the School’s staff during the performance of the audit. This includes preparing as many of the schedules and supporting documentation as possible and being available for questions and discussion. We understand the Staff at the School are very busy in their daily responsibilities. An audit can be a burden for a short period of time, but the better the cooperation, the more efficient the audit can be performed and the quicker the auditors will leave! We can designate specific time to ask questions of staff if needed.

In order to input the School’s trial balances into our audit software, we would need the trial balance transmitted to us in an excel format or a format that could be converted to excel.



AUDIT WRAP UP (THIRD AND FINAL PHASE)

At the conclusion of the audit, we will evaluate the information gathered and determine if sufficient audit evidence has been accumulated to determine that the financial statements are fairly stated in all material respects in accordance with generally accepted accounting principles (GAAP). We will also determine the type of opinion based on the sufficiency of the audit evidence.



REPORTING ON THE RESULTS OF THE AUDIT

During our compliance and substantive testing, we may note certain matters involving internal control and other operational procedures. Our job as your auditor will be to ensure that you understand where you have deficiencies or weaknesses so that you can make informed decisions on how best to respond to these risks. We may identify the following types of deficiencies:

- **Control Deficiency:** A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. This type of deficiency is typically communicated in the management letter.

- **Significant Deficiency:** A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- **Material Weakness:** A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis.

Significant deficiencies and material weaknesses are typically reported as “findings” in the audited financial statements and require a response or a corrective action plan by management.

We will communicate to you orally and in a letter, all deficiencies noted and recommendations for your consideration, intended to improve the internal control and/or the results of the operating efficiencies. The letters are solely for management, those charged with your organization’s governance, others you deem appropriate within your organization and any governmental authorities you need to share this information with.

Our Firm operates under a “NO SURPRISE MANDATE”, any issues which arise during the audit will be brought to the attention of management for discussion and analysis. We will NOT be issuing board communication without providing the same information to management. Management, as well as the audit committee will have the opportunity to discuss any issues which come up prior to issuance of Standard Board Communication Letters. Our goal is to be a partner with all of our clients, and work together to make the audit a smooth, and value-added process.



AUDIT TIMELINE

The following is a proposed timeline for the School’s audit services. We will discuss and come to an agreeance on a more detailed timeline during our entrance conference if the Firm is awarded the School’s audit services.



March/April 2026	Sharpe Patel PLLC is awarded the audit.
April 2026	The engagement letter and audit contracts are prepared by the Firm and sent to the School for review, approval and signature.
April	We will hold an entrance conference to discuss overall timing of the audit. We will begin the planning phase of the audit and potentially conduct preliminary fieldwork. This will involve test of controls, inventory observation (if deemed material) and other preliminary procedures.
May / June	We will send the PBC list to the School so they can prepare for the audit. We will begin the confirmation process.
July/August	We will receive the trial balances (in excel) in advance of fieldwork. We will finalize the planning and risk assessment process in anticipation of the fieldwork phase.
September	The Firm will conduct final fieldwork. The exact dates will be discussed during our entrance conference.

September	We will conclude our audit procedures. We will begin the financial statement process. Once complete, a draft will be sent to management for review and approval. Once approved, we will issue the audit.
November	We will present the audit to the Board and/or committee as requested. We will start the 990 preparation process. A draft will be presented to the School and will be submitted to the internal revenue service upon approval.

FEES

The following is our proposed fees for the year ended June 30, 2026.

The fee for the financial audit (both the School and Foundation) and State Single Audit will be \$12,500. If a Federal Single Audit is required, that fee will be an additional \$3,000. The fee for the preparation of the 990 tax return will be \$2,500.

This fee includes:

- Financial Audit of the School
- State Single Audit (if required)
- Preparation of the financial statements
- Presentation to the board and / or finance committee
- Preparation of the 990 tax return
- Federal Single Audit (if required)
- Minor technical questions throughout the year as follows:

Technical Questions

We understand the School may seek consultation on various subjects throughout the year and we encourage our clients to contact us with questions. Routine questions are included in our fees above as part of our service and are encouraged. If the School has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for not-for-profits). We will agree to the cost of this additional work with the School before beginning any such requests .

OTHER INFORMATION



Service

We at Sharpe Patel PLLC pride ourselves on providing a service model that thrives on being more responsive to our clients. We want to serve our clients and work with them, not simply be a vendor that works for the client. We allow our clients access to our most experienced personnel. We believe that we are the size CPA firm that can give those personal services to organizations the size of the School. We understand that many CPA firms could perform an audit, but it is the personal service that makes the difference. We want all our clients to succeed and we want to assist them in doing so.

Staff

As noted above, our service model calls for our most experienced personnel to be available to our clients. We have experienced low turnover; therefore we are able to offer staff continuity for the engagements. Technology and sophisticated auditing software systems are nice, but what makes the difference is the people. We believe the experience of our staff is a perfect fit for these engagements.

Experience

Concentration in the governmental sector. We don't simply see this as "filler" work. Governments make up a significant amount of our engagements during the year.

Communication

In order to best serve the School, we believe communication is an overriding factor. We will provide constant communication to management on the audit process.

Pricing

We based our cost proposal on how much time we think, based on experience, it will take to complete the engagement. Many firms base their cost proposal on what the School previously paid and try to low bid to win the contract. In the end, as with many services, we believe you get what you pay for. *We are not in the business of "winning" engagements, instead we are "creating" relationships.*



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APPENDIX A – 2024 PEER REVIEW REPORT



Alex Drake <adrake@rthighschool.org>

FY2026 Audit and Tax Engagement Fees – Research Triangle High School

Amanda P. Habich, CPA <amanda.habich@tjtpa.com>

Sat, Mar 14, 2026 at 3:01 PM

To: Alex Drake <adrake@rthighschool.org>, "nlightner@rthighschool.org" <nlightner@rthighschool.org>

Hi Alex and Nicole,

As we begin planning for the upcoming June 30, 2026 audit cycle, I wanted to share our engagement pricing for the coming year.

As part of our regular review of engagement pricing, we evaluate the time and resources required to perform charter school audits in accordance with Government Auditing Standards. Beginning with the June 30, 2026 audit cycle, we have established a minimum fee of \$25,000 for charter school audit engagements.

The audit fee for Research Triangle High School for the upcoming year will be \$25,200. This fee includes the financial statement audit as well as the required State Single Audit.

The fee for preparation of the organization's annual Form 990 information return will be \$3,950.

As always, our goal is to perform the audit in a manner that meets all professional and governmental auditing requirements while providing the Board with a high-quality and efficient audit process.

I will be sending the engagement letters for signature next week once I receive confirmation of the appropriate individuals for both management and governance (request for this emailed to you earlier today).

As we begin planning our audit schedule for the upcoming cycle, we appreciate your timely confirmation so we can reserve time for the engagement

Thank you again for the opportunity to continue serving Research Triangle High School.

Best regards,

Amanda



Amanda Habich | Audit Partner
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P: 919-532-7922 | C: 919-805-4726 |
4700 Falls of Neuse Rd. Ste 400 Raleigh, NC 27609
[tjtpa.com](#) | [Locations](#) | [Connect With Me](#)

Research Triangle High School	FY 2025-2026 Board Approved Budget	FY 2025-2026 Working Budget	Actuals as of 3.31.26	% Received / Expensed to Budget	Comments:
ADM	572	572			
State Funding per ADM	\$ 6,605.00	\$ 6,663.18			
EC ADM	29	42			
State EC Funding per ADM	\$ 5,249.28	\$ 4,996.25			
Revenue					
Total State Funding	3,967,250	4,122,098	3,562,702	86%	
Total County Funding	2,632,935	2,830,335	1,908,250	67%	
Total Federal Funding	128,606	167,221	84,439	50%	
Sales & Use Tax Refund	25,000	25,000	-	0%	
Corporate/Board/Private Donations	30,000	30,000	24,328	81%	
Interest Income	50,000	40,000	32,628	82%	
Other	6,500	8,700	8,681		
Total Revenue	6,840,291	7,223,354	5,621,028	78%	
Expenses					
Principal	265,000	265,000	198,750	75%	
Interest	511,425	511,425	379,467	74%	
Bond Costs	8,600	8,600	6,594	77%	
Repair and Replacement Fund Transfer	85,800	85,800	64,350	75%	
Capitalized Improvements/Purchases	-	125,057	21,353		
Building Expenses	331,078	331,326	217,695	66%	
Personnel Costs	4,756,898	4,783,313	3,529,383	74%	
Information Technology	103,394	103,394	65,512	63%	
Instructional Services	180,066	188,654	125,213	66%	
Support Services	368,972	377,049	290,254	77%	
Other Expenses	166,750	180,600	141,030	78%	
Total Expenses	6,777,982	6,960,218	5,039,601	72%	
Surplus	62,309	263,136	581,427		
Surplus from Previous Years	2,202,066	2,202,066	2,202,066		
Ending Cash Balance	2,264,375	2,465,202	2,783,493		

Liquidity Requirement Calculation:

Total Expenses	6,960,218
Clubs, PTSO, Boosters Expenses (projected)	450,000
Less: Capitalized Purchases	125,057
Less: Principal Payments	(265,000)
Less: Repair and Replacement Fund Transfer	(85,800)
Total Operating Expenses	7,184,475
Divided by 365 days	365
Operating Expense per Day	19,683
Multiplied by 45 days	45
Minimum balance required for unrestricted cash and cash equivalents	885,757
Ending Cash Balance	2,465,202
Raptorium Cash	1,290
Clubs, PTSO, Boosters Cash	126,226
Total Unrestricted Cash and Cash Equivalents	2,592,718
Divided by Operating Expense per Day	19,683
Projected Days Cash on Hand	132

Liquidity Requirement for Days Cash on Hand

45

Debt Service Coverage Ratio Calculation:

Surplus (cash basis)	263,136
Net Income - Raptorium	100
Net Income - Clubs, PTSO, Boosters	-
Net Income - US Bank	-
Add: Repair and Replacement Fund Transfer	85,800
Add: Capitalized Items	125,057
Add: Principal Payments	265,000
Less: Amortization	(11,869)
Less: Depreciation	-
Change in Net Assets	727,224
Add: Interest	511,425
Add: Amortization	11,869
Add: Depreciation	-
Net Income Available for Debt Service	1,250,518
Maximum Annual Debt Service	762,144
Projected Debt Service Coverage Ratio	1.64

Excess of DSCR Requirement

335,945

Required DSCR in Covenants

1.20

Coversheet

Recommend Budget Approval

Section: II. Finance Committee Business
Item: B. Recommend Budget Approval
Purpose: Vote
Submitted by:
Related Material: RTHS FY 2026-27 Budget Draft (4.7.26).pdf

Research Triangle High School - RTHS Finance Committee Meeting - Agenda - Thursday April 9, 2026 at 9:00 AM

Research Triangle High School	FY 2025-2026 Board Approved Budget	FY 2025-2026 Working Budget	Variance	Actuals as of 3.31.26	% Received/ Expended to Budget	FY 2026-2027 DRAFT Budget	Comments
ADM	572	572	0%			571	
State Funding per ADM	\$ 6,605.00	\$ 6,663.18	1%			\$ 6,736	Per Planning Allotment
EC ADM	29	42	45%			42	
State EC Funding per ADM	\$ 5,249.28	\$ 4,996.25	-5%			\$ 4,996.25	
Revenue							
State Funds - Revenue	3,778,060	3,821,888	1%	3,386,374	89%	3,846,010	Per Planning Allotment
State Funds - Growth Funding	-	-	-	-	-	-	-
State EC Funds	197,328	213,892	8%	160,421	75%	251,944	Per Planning Allotment
State Funds - LI Adjustment	-	-	-	-	-	-	-
State Funds - LEP Funds	-	63,669	-	-	0%	67,135	Per Planning Allotment
State Funds - School Technology	-	6,742	-	-	0%	6,809	Per Planning Allotment
State Funds - NCVPS	(8,138)	(10,844)	33%	(10,844)	100%	(9,303)	
State Funds - Fines & Forfeitures	-	-	-	-	-	-	-
State Funds - COVID-19	-	-	-	-	-	-	-
State Funds - Other Funds (non-recurring)	-	26,751	-	26,751	-	-	-
State Funds - Paid Parental Leave Reimbursement	-	-	-	-	-	-	-
Total State Funding	3,967,250	4,122,098	4%	3,562,702	86%	4,162,595	
Alamance County Funds	2,160	6,840	217%	6,136	90%	9,120	
Brunswick County Funds	-	-	-	-	-	-	-
Chapel Hill-Carrboro Funds	50,049	56,824	14%	48,453	85%	56,824	
Chatham County Funds	45,000	34,765	-23%	21,408	62%	34,765	
Cumberland County Funds	1,800	-	-100%	-	-	-	-
Durham County Funds	1,534,752	1,719,312	12%	1,159,496	67%	1,770,891	3% increase
Franklin County Funds	-	4,320	-	1,796	42%	2,610	
Granville County Funds	2,313	2,475	7%	1,432	-	2,592	
Guilford County Funds	-	2,821	-	2,018	-	3,600	
Harnett County Funds	1,431	3,690	-	2,061	56%	3,690	
Johnston County Funds	-	-	-	-	-	-	-
Orange County Funds	55,530	34,668	-38%	18,668	54%	34,668	
Wake County Funds	939,900	964,620	3%	646,781	67%	993,559	3% increase
Mecklenburg County Funds	-	-	-	-	-	-	-
Total County Funding	2,632,935	2,830,335	7%	1,908,250	67%	2,912,319	
Federal Funds - PRC 060 (EC)	106,437	145,632	37%	84,439	58%	106,000	
Federal Funds - PRC 050	-	-	-	-	-	-	-
Federal Funds - PRC 103	21,069	20,489	-3%	-	0%	20,000	
Federal Funds - PRC 108	-	-	-	-	-	-	-
Federal Funds - PRC 118	1,100	1,100	0%	-	0%	-	
Federal Funds - COVID-19	-	-	-	-	-	-	-
Grant Funds SRSA	-	-	-	-	-	-	-
Total Federal Funding	128,606	167,221	30%	84,439	50%	126,000	
Sales & Use Tax Refund	25,000	25,000	0%	-	0%	25,000	
Corporate/Board/Private Donations	30,000	30,000	0%	24,328	81%	30,000	
Interest Income	50,000	40,000	-20%	32,628	82%	40,000	
Other	6,500	8,700	-	8,681	100%	9,000	
Total Revenue	6,840,291	7,223,354	6%	5,621,028	78%	7,304,914	
Expenses							
Principal	265,000	265,000	0%	198,750	75%	280,000	
Interest	511,425	511,425	0%	379,467	74%	498,834	
Bond Costs	8,600	8,600	0%	6,594	77%	8,600	
Repair and Replacement Fund Transfer	85,800	85,800	0%	64,350	75%	85,800	
Capitalized Improvements/Purchases	-	21,353	-	21,353	100%	-	
Building Expenses							
Utilities - elec, water and trash	115,000	110,000	-4%	81,995	75%	110,000	
Telephone/Communications	3,000	4,011	34%	1,861	46%	3,000	
Maintenance & Repair	53,000	53,000	0%	37,118	70%	53,000	
Custodial - Supplies/Materials	18,000	18,000	0%	13,022	72%	18,000	
Facility Contracted Services:							
Custodial Services	88,772	88,772	0%	58,803	66%	100,000	
Carpet - Tile Cleaning	12,450	12,450	0%	-	0%	15,000	
HVAC	24,856	24,856	0%	8,233	33%	20,000	
Grounds - Landscaping	16,000	20,238	26%	16,663	82%	20,000	
Total Building Expenses	331,078	331,326	0%	217,695	66%	339,000	
Personnel Costs							
Salaries	3,833,642	3,817,642	0%	2,791,120	73%	4,079,757	Added 2 positions (EC + TBD Student Support)
Substitutes	100,000	116,000	16%	123,830	107%	100,000	
Personal Leave	-	-	-	-	-	-	-
Health Insurance - State Plan	416,510	416,510	0%	309,845	74%	467,374	Based on current enrollment + 5% increase in premium
Retirement - State 457 Plan + Match	80,506	80,170	0%	52,857	66%	85,675	Based on current participation
Payroll Taxes - 7.65%	295,810	295,810	0%	219,110	74%	314,736	
NC Flex Plan Fees	5,000	5,000	0%	3,806	76%	5,340	
SUTA	11,429	11,429	0%	1,723	15%	11,118	
Workers Comp Insurance	14,000	14,000	0%	341	2%	15,000	
Bonus	-	26,751	-	26,751	100%	-	
Total Personnel Costs	4,756,898	4,783,313	1%	3,529,383	74%	5,078,999	
Information Technology							
Technology	45,000	45,000	0%	21,217	47%	50,000	
Digital Resources & SW Licenses	58,394	58,394	0%	44,296	76%	60,000	
Total Information Technology	103,394	103,394	0%	65,512	63%	110,000	
Instructional Services							
Staff Development	25,000	25,000	0%	21,664	87%	25,000	
Counseling - Staff Dev	1,000	1,000	0%	144	14%	1,000	
Travel & Mileage Reimbursement	5,000	10,000	100%	6,282	63%	10,000	
Staff Dev - PD Meals	12,000	12,000	0%	10,335	86%	15,000	
Staff Development - EC	2,000	2,000	0%	1,611	81%	3,000	
Educational Programs	17,000	17,000	0%	13,354	79%	17,000	

Research Triangle High School - RTHS Finance Committee Meeting - Agenda - Thursday April 9, 2026 at 9:00 AM

Edu Materials - Science Dept	7,000	7,000	0%	3,774	54%	7,000
Edu Materials - English Dept	4,000	4,000		2,130	53%	3,000
Edu Materials - Languages Dept	3,000	3,000	0%	1,602	53%	2,000
Edu Materials - History Dept	4,000	4,000	0%	1,563	39%	3,000
Edu Materials - Arts Dept	5,000	5,000	0%	3,007	60%	5,000
Edu Materials - Math Dept	4,000	4,000	0%	1,024	26%	3,000
Edu Materials - PE Dept	3,000	3,000	0%	2,399	80%	3,000
Education Materials - EC Dept	3,000	3,000	0%	2,347	78%	3,000
Testing (AP/PSAT)	7,566	7,566	0%	(2,881)	-38%	7,566
Textbooks/Assessment	5,000	8,588	72%	7,888	92%	8,000
Social Service Fund	500	500	0%	-	0%	500
Furniture & Fixtures	5,000	5,000	0%	3,019	60%	6,000
Administrative Expenses	9,000	9,000	0%	6,598	73%	9,000
EC Contracted Services: (\$50,000 FY23)	-	-		-		
Visually Impaired & Orientation	13,000	13,000	0%	11,249	87%	13,000
Speech-Language Therapy	20,000	20,000	0%	19,678	98%	25,000
Mental Health Service	-	-		-		
Web-based IEP Service	-	-		-		4,000
Occupational Therapy	5,000	5,000	0%	2,100	42%	5,000
Interpreting and Written Translation Service	-	-		-		
Psychoeducational Assessments	20,000	20,000	0%	6,325	32%	20,000
Total Instructional Services	180,066	188,654	5%	125,213	66%	198,066
Support Services						
Administration Contracted Services:				-		
Legal & Consulting	50,000	50,000	0%	26,707	53%	50,000
Contracted Financial Services	60,480	60,480	0%	45,360	75%	63,504
LINQ Software Support	5,769	6,346	10%	6,346	100%	6,537
Contracted HR Services	20,400	20,400	0%	12,290	60%	20,000
Student Information Management Services	21,000	21,000	0%	15,750	75%	21,000
Contracted Printing Services	35,183	35,183	0%	35,718	102%	40,000
Contracted Audit Services	25,000	25,000	0%	26,150	105%	25,000
Background Checks	2,000	2,000	0%	724	36%	2,000
General Insurance	40,645	40,645	0%	43,185	106%	45,000
Board of Director Materials	12,495	13,195	6%	13,195	100%	13,195
Fundraising/Development	5,000	5,000	0%	392	8%	5,000
Marketing/Advertising	6,000	10,000	67%	12,557	126%	10,000
Transportation Contracted Services:				-		
Daily Bus Services	48,000	48,000	0%	37,293	78%	48,000
Special Event Transportation Services	4,000	4,000	0%	1,840	46%	4,000
Transportation - Fuel	7,000	7,000	0%	2,804	40%	7,000
Transportation Maintenance	4,000	4,000	0%	1,462	37%	4,000
Food Services	22,000	22,000	0%	8,481	39%	15,000
Total Support Services	368,972	374,249	1%	290,254	78%	379,236
Other Expenses						
Athletics	66,650	70,000	5%	67,357	96%	75,000
Feminine Hygiene Grant				-		
Counseling/College Dept	5,000	5,000	0%	1,183	24%	5,000
Graduation	11,000	15,000	36%	7,732	52%	15,000
Senior Class Events	2,000	6,000	200%	843	14%	6,000
Safety - Off Duty Officer	45,000	45,000	0%	37,600	84%	45,000
Staff Snacks (Joy Room)	3,000	3,000	0%	2,950	98%	3,500
Staff Appreciation		2,500		-	0%	5,000
Sales Tax	25,000	25,000	0%	17,023	68%	25,000
Repayment to DPI				-		
Robotics	9,000	9,000	0%	6,241	69%	9,000
Transfer to Raptorium	100	100	0%	100	100%	100
Total Other Expenses	166,750	180,600	8%	141,030	78%	188,600
Total Expenses	6,777,982	6,853,714	0	5,039,601	74%	7,167,135
Surplus	62,309	369,640		581,427		137,779
Interfund Transfer				150,245		
Surplus from Previous Years	2,202,066	2,202,066		2,202,066		2,571,706
Ending Cash Balance	2,264,375	2,571,706		2,933,738		2,709,485

Liquidity Requirement Calculation (FY 26-27):

Total Expenses	7,167,135
Clubs, PTSO, Boosters Expenses (projected)	450,000
Less: Capitalized Purchases	-
Less: Principal Payments	(280,000)
Less: Repair and Replacement Fund Transfer	(85,800)
Total Operating Expenses	7,251,335
Divided by 365 days	365
Operating Expense per Day	19,867
Multiplied by 45 days	45
Minimum balance required for unrestricted cash and cash equivalents	894,000
Ending Cash Balance	2,709,485
Raptorium Cash	1,390
Clubs, PTSO, Boosters Cash	126,226
Total Unrestricted Cash and Cash Equivalents	2,837,101
Divided by Operating Expense per Day	19,867
Projected Days Cash on Hand	143

Liquidity Requirement for Days Cash on Hand 45

Debt Service Coverage Ratio Calculation (FY 26-27):

Surplus (cash basis)	137,779
Net Income - Raptorium	100
Net Income - Clubs, PTSO, Boosters	-
Net Income - US Bank	-
Add: Repair and Replacement Fund Transfer	85,800
Add: Capitalized Items	-
Add: Principal Payments	280,000
Less: Amortization	(11,869)
Less: Depreciation	-
Change in Net Assets	491,810
Add: Interest	498,834
Add: Amortization	11,869
Add: Depreciation	-
Net Income Available for Debt Service	1,002,513
Maximum Annual Debt Service	762,144
Projected Debt Service Coverage Ratio	1.32

Excess of DSCR Requirement 87,941
Required DSCR in Covenants 1.20