

**Cape Fear Center for Inquiry
Board of Directors Minutes
May 14, 2019- 6:00pm**

***Nurturing a Sense of Wonder.** Cape Fear Center for Inquiry is committed to promoting students' abilities to think and create in personally meaningful ways through an inquiry-based, integrated curriculum in a nurturing and empowering environment.*

Roll Call Ashley Cooksley, Lisa Sharpe, Jennifer LaFleur, Stephen Hill, David Boucher, Beth Carter, Lisa Buchanan, Kristin Hudson, Cathi Mintz, Shannon Shanks, Wes Rose, Lori Roy, Kendy Gullette

Absent: Beth Carter

Time	Subject	Chair/Presenter	Note: Information, Discussion, and/or Action
	Opening Items:		
6:00pm	<i>Call to Order</i>	Ashley Cooksley	Action: Call to order 6:06pm Kristin Hudson motion, Steven Hill 2 nd . Motion passed.
6:01	<i>Approval of Minutes: April 9, 2019- closed session in confidential folder</i>	Ashley Cooksley	Action: Adjustments made to minutes by Dave Boucher. Motions: Kristin Hudson. 2 nd Lisa Buchanan. Motion passed.
6:02	<i>Visiting Faculty*</i>	TBD	Information: None
6:07	<i>Visiting Parent or Community Members*</i>	TBD	Information: None
6:10	1. Board Elections		<p>Reviewed process for elections and requirements of board members</p> <ul style="list-style-type: none"> - Reviewed applications - Each candidate is offered 3 min to speak - Go into closed session to discuss - Come out of closed session to vote - 2 Community members - 2 community/parent members <p>Vote to go into closed session: Kristen Hudson, 2nd Ashley Cooksley Voted to come out of closed session: Ashley Cooksley, 2nd Kristin Hudson Board completed ballots to vote for new board members. (Community and Parent) Community candidates that are voted onto board: Nancy Johnsen/Charles Jurich Ashley mentioned that the discussion was very difficult to determine candidates during closed session Parent/Community member candidates:</p>

			Tiffany Erichsen, Lakeasha Glaspsie
7:00	2. Parking lot project	Kathy Coke	Information/ Discussion/ Action: Contract for 3 rd piece of property on Shipyard was sent to seller on 5.14. Should have it signed by next week. Will need surveys and topography quickly after signed contract. City has decided that property is still okay to be zoned recreational so no re-zoning is needed. Sidewalks on rendering could change as well as number of trees. Buffer versus fence along property line. With 20ft buffer, can put alum. fence verses 10ft privacy fence
	Finance		
7:15	3. Audit Contract- 4. Cleaning Contract 5. 2019-2020 Budget Approval	Kathy Coke	Information/ Discussion/ Action: Audit contract: Contract is required by state. Recommendation to continue with current company Motion: Steven Hill. Lisa Buchanan second. Budget: Dave requested to push budget approval to June board meeting (must be approved by June 30). House passed a budget that creates steps and raises to occur at different times in next school year. Cleaning Contract: several close bids, but need more time to call references
	Director's Report		
7:40	1. Great Art 2. TA Resignation; Personnel Update- 3. Front Office update 4. Cape Fear Crossing information/update 5. Strategic Planning Celebration/Update 6. Student Update (<i>closed session</i>)	Lori Roy	Information/ Discussion/ Action: Motion to move closed session to end of mtg: Lisa/Kristen Great Art: Gross around 24k. Net will be around 18k once all bills are deducted. Partnership Celebration: great turnout. 8 new CFCI families Front Office Update: Ben and Susan will switch rolls (part and full time) Cape Fear Crossing: May 16 th is last day for public comment. The path that affects us is the least likely option. Request for someone to craft a comment: Dave will prep a statement and share with a deadline of filing it. TA resignation: Carol Radford has resigned.

			Carol shared her appreciation and love for CFCI for the past 16 years. While the job has become more than she can do at this point in her life, she is so thankful for her time at CFCI.
	Committee Updates: Please see all committee minutes and come with any questions		
8:20	7. Committees: <ul style="list-style-type: none"> • Partnership, • Technology and L3, • Budget reports and • Dashboard and minutes were all included in packet 	Committee Chairs	Information/Discussion Partnership: Teacher appreciation was a success. Spring Celebration raised about \$1100 but is more about community. About 200 showed up. Announced strategic plan. Box tops count- \$308. New positions for 2019: Tonya Inabnit: Chair person. Emily Luther will take over as board representative. Partnership needs positions- co-chair and secretary.
	PPRC		
8:25	<u>2nd Read and Vote for:</u> <ul style="list-style-type: none"> • Policy 430 – Exceptional Children’s Program • Policy 435- Student Support Information • Policy 445- Referral Process for Special Education Needs • Policy 290- Application, Lottery and Enrollment 	Alan McNaughton/ Lori Roy	Request was made to add details back into policy 430 related to mastery of goals and EC and gen ed teachers. Lisa Buchanan moved to approve Policy 430, 435, and 445 reflecting the changes discussed. Second by Steven Hill. Motion Passed.
	Announcements:		
8:35	Other Announcements and/or Upcoming events: <ul style="list-style-type: none"> - Executive- 5.12.19 - Next Board Meeting- 	Ashley Cooksley	Information Discussion about participation in board meetings using digital means. Can changes be made to allow voting when participating remotely? (PPRC) Executive Voting: Board chair- Ashley, Secretary- Dave

	<p><i>6.18.19 6pm</i> - <i>Board Retreat- 3-6pm 6.18.19</i> <i>(prior to June Board Meeting)</i></p>		<p>Motion to move into closed session re: student and personnel update: Ashley/Kristin. Motion passed. Motion to come out of closed session: Steven/Lisa. Motion passed.</p> <p>Motion to end meeting: Ashley Cooksley. Dave Boucher seconded. Motion passed.</p>
8:40	<i>Adjournment</i>	Ashley Cooksley	Action

Board Agenda Requests: If you would like to request that an item be added to the Board agenda, please e-mail the Board Secretary, Beth Carter at bcarter@cfc.net with “CFCI Board Agenda” in the subject line, or place the request in his box in the main school office. The agenda request must include the subject, a brief synopsis of what you would like to present, the amount of time requested, any handouts you would like to distribute, and whether your request is informational, discussion, and/or requests board action.

All requests and materials need to be submitted by noon on the first Friday of the month. Items not received by this time will not be considered for the following month’s Board meeting. The Board Executive Committee reserves the right to determine whether the item is added to the agenda, to ask for additional information, or to redirect the request to an appropriate committee or person.

**CAPE FEAR CENTER FOR INQUIRY
BUDGET REPORT - PROJECTED
2019 - 2020**

ADM	408	\$5,620.00
EC	48	\$4,464.16

REVENUES

State Revenue		
Rev - Charter Schools - 036		\$2,507,239.68
Rev - Summer Reading - 016		\$0.00
Rev - Behavior Support - 029		\$51,192.00
Total State Revenue		\$2,558,431.68

**PROJECTED
BUDGET** _____ **NOTES / COMMENTS**

Local Revenue			
Rev - Brunswick County Schools		\$161,602.56	Current Year 56 \$2885.76
Rev - New Hanover County Schools		\$975,720.00	Current Year 341 \$2856
Rev - Pender County Schools		\$10,914.00	Current Year 6 \$1819
Rev - F&F - Brunswick County		\$2,700.00	
Rev - F&F - New Hanover County		\$24,000.00	
Rev - F&F - Pender County		\$100.00	
Rev - Interest Income		\$2,000.00	
Rev - Sales Tax		\$2,500.00	
Rev - Contributions and Donations		\$3,000.00	
Rev - Tech Donations		\$5,000.00	
Rev - Fundraising - 653		\$5,000.00	
Rev - Riptide Runners		\$4,000.00	
Rev - Field Trips		\$60,000.00	Includes Title IV
Rev - Capital Campaign		\$20,000.00	
Rev - Various		\$5,000.00	
Rev - Fees/Supplies		\$2,000.00	
Rev - Social Dues		\$200.00	
Rev - Arts		\$1,000.00	
Rev - Garden Grant		\$0.00	
Rev - CFCL Partnership		\$0.00	
Rev - GE Grant		\$0.00	
Total Local Revenue		\$1,284,736.56	

Federal Revenue		
Rev - Title I Basic - 050		\$7,900.00
Rev - IDEA V-B Handicap - 060		\$48,000.00
Rev - Improving Teacher Quality - 103		\$5,800.00
Rev - IDEA V-B Spec Needs- 118		\$900.00
Total Federal Revenue		\$62,600.00

TOTAL REVENUES \$3,905,768.24

EXPENSES		
Salaries & Wages		
Teacher		\$1,391,237.40

PROJECTED BUDGET **NOTES / COMMENTS**

Teacher - 018	\$0.00
Teacher Assistant	\$93,165.40
Substitute	\$15,000.00
EC Teacher	\$148,222.24
EC Teacher - 029	\$51,143.40
EC Teacher - 060	\$45,360.00
EC Teacher Assistant	\$41,892.83
EC Teacher Assistant - 029	\$0.00
Psychologist	\$30,219.00
EC Substitute	\$3,500.00
Remediation Teacher - 050	\$0.00
Principal	\$90,472.20
Assistant Principal	\$34,141.84
Office Staff	\$49,751.18
Guidance	\$41,787.90
Information Technology	\$54,869.85
Custodian	\$27,825.00
Finance Officer	\$96,458.25
Bonus Pay	\$0.00
Total Salaries & Wages	\$2,215,046.49

Benefits

Social Security & Medicare	\$169,451.06
State Retirement	\$443,009.30
Health Insurance	\$226,542.05
State Unemployment	\$10,300.00
Total Benefits	\$849,302.40

Books & Supplies

Instructional Supplies	\$15,000.00
Instructional Supplies - 016	\$0.00
EC Supplies	\$3,000.00
EC Supplies - 118	\$0.00
Office Supplies	\$4,000.00
Social Dues	\$200.00
Fundraising Supplies	\$0.00
Fundraising Supplies - RipTide Runner	\$4,000.00
Garden Grant Expenses	\$0.00
Health Supplies	\$2,500.00
Security Supplies	\$3,000.00
Board Supplies	\$0.00
Membership Dues & Fees	\$1,500.00
Postage & Shipping	\$1,000.00
Sales Tax Expense	\$2,500.00
Unbudgeted Federal Expense - 050	\$0.00
Total Books & Supplies	\$36,700.00

Contracted Student Services

Instructional Services	\$0.00
EC Services	\$10,000.00
Psychological Services	\$0.00
Speech Services	\$26,000.00
Security Services	\$0.00
Field Trips	\$52,000.00

18.86% (includes ALL PRCs)
 18.86% is 2018-2019 rate per ee (19-20 proj rate is NOT RELEASED, but using 20%)
 6.223.68 is 2018-2019 annual rate per ee (19-20 proj rate/ee NOT released but using 6721.57 (8% increase))
 .06% of first \$24,300/ee

Total Contracted Student Services

	PROJECTED BUDGET	NOTES / COMMENTS
	\$88,000.00	

Staff Development

Workshop Expenses	\$7,500.00	
Workshop Expenses - 103	\$0.00	
EC Workshops	\$5,000.00	
EC Workshop Expenses - 118	\$0.00	
Total Staff Development	\$12,500.00	

Administrative Services

Advertising	\$1,000.00	
Audit Fees	\$9,100.00	
Bank Fees	\$1,000.00	
Community Services	\$0.00	
Contracted Office	\$0.00	
Financial Services	\$43,656.00	Acadia Financial Services
General Administration	\$8,000.00	BAAS 1% Includes Front Office Subs
Human Resources	\$2,000.00	
Legal Services	\$5,000.00	
Student Information Services	\$16,320.00	Acadia PS Services
Technology Services	\$0.00	
Other Tax Payments	\$2,700.00	
Bank Transfers	\$0.00	
Total Administrative Services	\$88,776.00	

Insurances

Workers Compensation	\$7,900.00	
General Liability	\$32,500.00	
Other Insurance & Judgements	\$0.00	
Total Insurances	\$40,400.00	

Rents & Debt Service

Debt Service - Principal - NewBridge	\$205,262.70	
Debt Service - Interest - NewBridge	\$98,637.67	
Debt Service - Principal - New Project	\$54,000.00	
Debt Service - Interest - New Project	\$0.00	
Building Rent - 621 LLC	\$1,425.00	
Total Rents & Debt Service	\$359,325.37	

**PROJECTED
BUDGET**

NOTES / COMMENTS

Facilities

Building Services	\$31,342.11
Building Supplies & Materials	\$7,000.00
Custodial Services	\$62,475.87
Custodial Supplies & Materials	\$9,000.00
General Contract	\$0.00
Miscellaneous Contracts	\$0.00
Security Monitoring	\$5,000.00
Total Facilities	\$114,817.98

Utilities

Electric	\$42,000.00
Natural Gas	\$0.00
Water & Sewer	\$8,000.00
Waste Management	\$3,700.00
Telephone	\$8,000.00
Mobile Communication	\$0.00
Internet	\$0.00
Total Utilities	\$61,700.00

Transportation & Travel

Travel Reimbursements	\$0.00
Total Transportation & Travel	\$0.00

Technology

Software - Instructional	\$5,000.00
Software - EC	\$0.00
Software - Office	\$4,500.00
Tech Equipment - Nutrition	\$0.00
Tech Equipment - Instructional	\$3,000.00
Tech Equipment - EC	\$900.00
Tech Equipment - Office	\$1,000.00
Cap Tech Equipment - Instructional	\$0.00
Cap Tech Equipment - Office	\$0.00
Tech Supplies & Materials	\$3,000.00
Total Technology	\$17,400.00

Non-Cap Equipment & Leases

Equipment - Instructional	\$1,000.00
Equipment - EC	\$600.00
Equipment - Office	\$0.00
Copiers & Reproduction	\$8,500.00
Total Non-Cap Equipment & Leases	\$10,100.00

Nutrition & Food

Nutrition Services	\$0.00
Unprepared Food Purchases	\$10,000.00
Supplies & Materials	\$250.00
Other Food - Office	\$200.00
Other Food - Board	\$0.00
Total Nutrition & Food	\$10,450.00

Capital Campaign

Supplies & Materials	\$150.00
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Building Rentals/Leases
Total Capital Campaign

TOTAL EXPENSES

NET SURPLUS/(DEFICIT)

**PROJECTED
BUDGET**

\$1,100.00
\$1,250.00

\$3,905,768.24

(\$0.00)

NOTES / COMMENTS

290 Application, Lottery and Enrollment

Open Enrollment & Application Period

CFCI's enrollment period will be open for a minimum of 30 days. Applications will be available online or for pick up in the school front office beginning at least 30 days prior to the end of January.

During the month of January, CFCI will conduct Parent Education meetings which give parents the opportunity to tour the school, meet the faculty, and learn about our school. Applications for the upcoming school year are distributed at the close of each meeting.

Lottery numbers are assigned to each application, starting with "1" (siblings receive the same number). The deadline for application submission is the last school day in January. If mailed, the application must be postmarked no later than January 31. All applications, once received, are reviewed by the front office staff for necessary information. ~~The applications are placed alphabetically, by grade, into 3 ring binders and held in the front office. Our lottery is generally held the third week of February, allowing teachers to have time to assess home-schooled applicants to determine proper grade placement for the lottery.~~

Lottery

If there are more applicants than space available in any grade level(s), then there will be a random drawing of lottery numbers to establish enrollment and waiting lists. Maximum class size limits are 20 students in each K and 1st grade class, 22 in each 2nd and 3rd grade class, and 24 in each 4th – 8th grade class. A waiting list will be established using the lottery system whenever capacity is exceeded and the students on the list will be contacted if and when openings occur in the current school year only. The waiting list does not roll over to the following school year. A new application must be completed and turned in to the main school office each school year to be included in the lottery.

~~After the lottery, applications are rearranged by status in the binders.~~ After the lottery process is complete, parents of all applicants will be contacted via e-mail or phone and notified if their child (ren) is eligible for admission and enrollment, or what number they are on the wait list(s). Families who are eligible for admission will have 48 hours for a verbal confirmation of their spot before moving to the next person on the waitlist.

The following priorities to the lottery and admissions process are established in accordance with the 1997 amendments to G.S. 115C-238.29 and House Bill 250 (2013).

PRIORITY #1, Currently enrolled students.

PRIORITY #2, Children of fulltime CFCI faculty/staff members. Fulltime faculty/staff that are hired after the lottery may have their children added to the top of the waiting list or administratively enrolled, up to the 20th day of school.

PRIORITY #3, Siblings of currently enrolled students. Siblings are defined as brother or sister, half-brother, half-sister, stepbrother, stepsister or foster child who resides in the same household as the currently enrolled student.

PRIORITY #4, Siblings of students who have completed the highest-grade level offered by CFCI and who were enrolled in at least four grade levels offered by CFCI.

PRIORITY #5, Students who were enrolled in CFCI within the two previous school years but left the school to participate in an academic study abroad program or a competitive admission residential program or because of the vocational opportunities of the student's parent.

Enrollment

Once a student has been admitted to the Cape Fear Center for Inquiry, formal enrollment is required to reserve the student's space in the school. Enrollment will take place during the month of March. The enrollment procedure will ensure that the school has information necessary to acquire student records which are needed to meet State Board of Education records requirements for charter schools. This information includes birth certificate, immunization record, and transfer records from previous schools (public, private or home schools) including test scores, IEP/504 records and behavioral records. These records are not needed during the enrollment period, but we must receive the enrollment form to reserve the space. All kindergarten enrollment forms must have a copy of the birth certificate attached.

A student who has been admitted but who is not enrolled by March 31st will be removed from the list. Waiting lists will be maintained from the time of the lottery through the 20th day of school of the upcoming year. If and when an opening in any grade should occur, the next child on the wait list will be called. After March 31st, parents have 48 hours in which to enroll from the time the offer is extended. If enrollment does not take place within this time frame, the application will be withdrawn. No new students will be admitted after the 20th day of school.

Attendance and Removal from Enrollment

It is important that students who have been enrolled be present the first day of school. If a student is not present the first day, school personnel will make every effort to contact the parent(s) through phone call, email or home visit. If there is no contact with the parent within 72 hours of the start of school, the student will be withdrawn from enrollment.

Changes Pending 4-9-2019 Board Approval

**CAPE FEAR CENTER FOR INQUIRY
BUDGET REPORT (DETAIL)
4/1/2019 ~ 4/30/2019
All Accounts**

	CURRENT BUDGET	MTD ACTIVITY	YTD ACTIVITY	BUDGET BALANCE	PERCENT REMAINING	NOTES
REVENUES						
State Revenue						
Rev - Charter Schools - 036	\$2,409,737.00	\$113,223.19	\$2,408,892.00	\$845.00	0.04%	
Rev - Summer Reading Program	\$22,177.59	\$0.00	\$3,510.59	\$18,667.00	84.17%	
Rev - Behavior Support - 029	\$51,192.00	\$326.98	\$49,326.98	\$1,865.02	3.64%	
Rev - Charter Schools - 046	\$3,500.00	\$0.00	\$3,499.70	\$0.30	0.01%	
Total State Revenue	\$2,486,606.59	\$113,550.17	\$2,465,229.27	\$21,377.32	0.86%	
Local Revenue						
Rev - Brunswick County Schools	\$161,602.94	\$13,466.91	\$121,202.21	\$40,400.73	25.00%	
Rev - New Hanover County	\$973,896.00	\$0.00	\$730,422.00	\$243,474.00	25.00%	
Rev - Pender County Schools	\$11,674.74	\$1,061.34	\$8,490.72	\$3,184.02	27.27%	
F & F - Brunswick County-4609	\$2,700.00	\$229.63	\$932.53	\$1,767.47	65.46%	
F & F - New Hanover County	\$20,000.00	\$0.00	\$15,742.00	\$4,258.00	21.29%	
F & F - Pender County Schools	\$100.00	\$10.08	\$97.23	\$2.77	2.77%	
Rev - Interest Income-MM-1908	\$3,800.00	\$0.00	\$2,614.05	\$1,185.95	31.21%	
Rev - Interest Income-SV-4483	\$1.00	\$0.00	\$0.14	\$0.86	86.00%	
Rev - Sales Tax	\$5,000.00	\$0.00	\$0.00	\$5,000.00	100.00%	
Rev - Contributions and Donati	\$1,500.00	\$0.00	\$931.27	\$568.73	37.92%	
Rev - Tech Donations	\$5,957.00	\$0.00	\$5,957.00	\$0.00	0.00%	
Rev - Hurricane Florence	\$3,402.08	\$0.00	\$3,402.08	\$0.00	0.00%	
Rev - Fundraising - 653	\$5,000.00	\$86.70	\$3,382.41	\$1,617.59	32.35%	
Rev - Riptide Runners	\$4,000.00	\$0.00	\$3,487.00	\$513.00	12.83%	
Rev - Field Trip	\$50,000.00	\$3,086.10	\$20,765.34	\$29,234.66	58.47%	
Rev - Capital Campaign - 660	\$30,000.00	\$914.15	\$4,604.51	\$25,395.49	84.65%	
Rev - Various	\$19,100.00	\$8,611.12	\$26,256.88	(\$7,156.88)	-37.47%	
Rev - Fees / Supplies - 4609	\$2,000.00	\$0.00	\$585.97	\$1,414.03	70.70%	
Rev - Arts	\$2,338.12	\$0.00	\$2,338.12	\$0.00	0.00%	
Rev -Garden Grant - 555	\$0.00	\$490.00	\$490.00	(\$490.00)	0.00%	
Rev - CFCI Partnership	\$4,500.00	\$160.51	\$4,245.78	\$254.22	5.65%	
Rev - GE Grant	\$335.51	\$0.00	\$335.51	\$0.00	0.00%	
Total Local Revenue	\$1,306,907.39	\$28,116.54	\$956,282.75	\$350,624.64	26.83%	
Federal Revenue						
Rev - Title I Basic -050	\$8,008.00	\$7,889.64	\$7,889.64	\$118.36	1.48%	
Rev - IDEA VI-B Handicap - 060	\$49,494.00	\$0.00	\$35,728.98	\$13,765.02	27.81%	
Rev - Improving Tchr Qual-103	\$5,897.00	\$5,349.07	\$5,349.07	\$547.93	9.29%	
Rev - Student Support - 108	\$10,000.00	\$5,666.80	\$5,666.80	\$4,333.20	43.33%	
Rev - IDEA VI-B Spec Needs-118	\$2,584.20	\$0.00	\$1,573.09	\$1,011.11	39.13%	

	CURRENT BUDGET	MTD ACTIVITY	YTD ACTIVITY	BUDGET BALANCE	PERCENT REMAINING	NOTES
Total Federal Revenue	\$75,983.20	\$18,905.51	\$56,207.58	\$19,775.62	26.03%	
TOTAL REVENUES	\$3,869,497.18	\$160,572.22	\$3,477,719.60	\$391,777.58	10.12%	
EXPENSES						
Salaries & Wages						
Teacher	\$1,360,510.00	\$105,999.48	\$1,111,308.03	\$249,201.97	18.32%	
Teacher - 016	\$1,343.66	\$0.00	\$1,343.66	\$0.00	0.00%	
Teacher Assistant	\$102,899.70	\$9,421.36	\$87,898.49	\$15,001.21	14.58%	
Substitute	\$25,000.00	\$2,640.00	\$20,360.00	\$4,640.00	18.56%	
EC Teacher	\$153,715.70	\$19,422.67	\$130,533.69	\$23,182.01	15.08%	
EC Teacher - 029	\$35,919.00	\$0.00	\$35,919.00	\$0.00	0.00%	
EC Teacher - 060	\$41,228.96	\$0.00	\$28,943.08	\$12,285.88	29.80%	
EC Teacher Assistant	\$36,657.25	\$3,511.54	\$29,054.75	\$7,602.50	20.74%	
Psychologist	\$28,780.00	\$2,398.34	\$21,585.06	\$7,194.94	25.00%	
EC Substitute	\$4,500.00	\$240.00	\$4,320.00	\$180.00	4.00%	
Remediation Teacher - 050	\$7,974.64	\$7,889.64	\$7,889.64	\$85.00	1.07%	
Principal	\$86,164.00	\$7,180.34	\$71,803.40	\$14,360.60	16.67%	
Assistant Principal	\$29,806.33	\$2,709.67	\$24,387.03	\$5,419.30	18.18%	
Office Staff	\$49,243.00	\$4,022.41	\$40,878.53	\$8,364.47	16.99%	
Guidance	\$39,798.00	\$6,030.55	\$41,435.07	(\$1,637.07)	-4.11%	
Information Technology	\$52,257.00	\$4,354.75	\$43,547.50	\$8,709.50	16.67%	
Custodian	\$24,291.66	\$2,208.34	\$19,913.58	\$4,378.08	18.02%	
Finance Officer	\$88,526.00	\$7,655.42	\$73,215.20	\$15,310.80	17.30%	
Bonus Pay - 046	\$3,251.00	\$0.00	\$3,251.00	\$0.00	0.00%	
Total Salaries & Wages	\$2,171,865.90	\$185,684.51	\$1,797,586.71	\$374,279.19	17.23%	
Benefits						
Social Security & Medicare	\$159,606.07	\$13,773.08	\$128,354.82	\$31,251.25	19.58%	
Social Security & Medicare - 016	\$102.81	\$0.00	\$102.81	\$0.00	0.00%	
Social Security & Medicare - 029	\$2,655.90	\$0.00	\$2,655.90	\$0.00	0.00%	
Social Security & Medicare - 046	\$249.00	\$0.00	\$248.70	\$0.30	0.12%	
Social Security & Medicare - 060	\$2,375.00	\$0.00	\$2,145.70	\$229.30	9.65%	
State Retirement	\$360,541.24	\$28,995.85	\$280,325.93	\$80,215.31	22.25%	
State Retirement - 016	\$253.42	\$0.00	\$253.42	\$0.00	0.00%	
State Retirement - 029	\$6,016.45	\$0.00	\$6,016.45	\$0.00	0.00%	
State Retirement - 060	\$590.88	\$0.00	\$590.88	\$0.00	0.00%	
Health Insurance	\$174,523.19	\$15,040.56	\$141,608.39	\$32,914.80	18.86%	
Health Insurance - 029	\$4,408.65	\$0.00	\$4,408.65	\$0.00	0.00%	
Health Insurance - 060	\$5,299.16	\$0.00	\$4,049.32	\$1,249.84	23.59%	
State Unemployment	\$9,900.00	\$340.54	\$502.36	\$9,397.64	94.93%	
Total Benefits	\$726,521.77	\$58,150.03	\$571,263.33	\$155,258.44	21.37%	
Books & Supplies						

	CURRENT BUDGET	MTD ACTIVITY	YTD ACTIVITY	BUDGET BALANCE	PERCENT REMAINING	NOTES
Instructional Supplies	\$39,000.00	\$1,652.93	\$39,419.82	(\$419.82)	-1.08%	
Instructional Supplies - 016	\$20,477.70	\$0.00	\$1,810.70	\$18,667.00	91.16%	
EC Supplies	\$2,815.80	\$0.00	\$2,632.79	\$183.01	6.50%	
EC Supplies - 118	\$1,520.71	\$0.00	\$1,409.60	\$111.11	7.31%	
Office Supplies	\$5,000.00	\$749.52	\$4,008.15	\$991.85	19.84%	
Social Dues	\$265.00	\$0.00	\$200.44	\$64.56	24.36%	
Fundraising Supplies	\$690.05	\$0.00	\$690.05	\$0.00	0.00%	
Fundraising Supplies - Riptide Runner	\$4,000.00	\$0.00	\$0.00	\$4,000.00	100.00%	
Health Supplies	\$3,200.00	\$0.00	\$2,131.72	\$1,068.28	33.38%	
Security Supplies	\$4,100.00	\$49.99	\$3,949.81	\$150.19	3.66%	
Postage & Shipping	\$1,500.00	\$35.00	\$366.17	\$1,133.83	75.59%	
Sales Tax Expense	\$5,000.00	\$156.34	\$3,854.14	\$1,145.86	22.92%	
Unbudgeted Federal Expense - 050	\$33.36	\$0.00	\$0.00	\$33.36	100.00%	
Total Books & Supplies	\$87,602.62	\$2,643.78	\$60,473.39	\$27,129.23	30.97%	
Contracted Student Services						
EC Services	\$10,000.00	\$0.00	\$6,712.50	\$3,287.50	32.88%	
Speech Services	\$26,000.00	\$4,435.60	\$29,157.70	(\$3,157.70)	-12.15%	
Field Trips	\$42,000.00	\$10,533.66	\$20,190.51	\$21,809.49	51.93%	
Field Trips - 108	\$10,000.00	\$5,666.80	\$5,666.80	\$4,333.20	43.33%	
Total Contracted Student Services	\$88,000.00	\$20,636.06	\$61,727.51	\$26,272.49	29.86%	
Staff Development						
Workshop Expenses	\$35,000.00	(\$5,253.07)	\$24,424.51	\$10,575.49	30.22%	
Workshop Expenses - 103	\$5,897.00	\$5,349.07	\$5,349.07	\$547.93	9.29%	
EC Workshops	\$6,000.00	\$326.98	\$3,348.29	\$2,651.71	44.20%	
EC Workshop Expenses - 029	\$2,192.00	\$326.98	\$326.98	\$1,865.02	85.08%	
EC Workshop Expenses - 118	\$1,063.49	\$0.00	\$163.49	\$900.00	84.63%	
Total Staff Development	\$50,152.49	\$749.96	\$33,612.34	\$16,540.15	32.98%	
Administrative Services						
Advertising	\$1,000.00	\$0.00	\$680.00	\$320.00	32.00%	
Audit Fees	\$9,100.00	\$0.00	\$9,100.00	\$0.00	0.00%	
Bank Fees	\$26,000.00	\$146.08	\$749.13	\$25,250.87	97.12%	
Community Services	\$3,460.00	\$0.00	\$3,460.00	\$0.00	0.00%	
Financial Services	\$43,656.00	\$3,574.31	\$35,972.40	\$7,683.60	17.60%	
General Administration	\$8,000.00	\$0.00	\$2,467.20	\$5,532.80	69.16%	
Human Resources	\$2,000.00	\$0.00	\$631.30	\$1,368.70	68.44%	
Legal Services	\$35,000.00	\$7,268.75	\$35,322.20	(\$322.20)	-0.92%	
Student Information Services	\$16,320.00	\$1,336.19	\$13,447.60	\$2,872.40	17.60%	
Other Tax Payments	\$2,700.00	\$0.00	\$2,600.50	\$99.50	3.69%	
Total Administrative Services	\$147,236.00	\$12,325.33	\$104,430.33	\$42,805.67	29.07%	
Insurances						

	CURRENT BUDGET	MTD ACTIVITY	YTD ACTIVITY	BUDGET BALANCE	PERCENT REMAINING	NOTES
Workers Compensation	\$8,165.00	\$1,796.70	\$7,068.10	\$1,096.90	13.43%	
General Liability	\$32,500.00	\$5,101.00	\$22,548.00	\$9,952.00	30.62%	
Other Insurance & Judgements	\$3,657.00	\$0.00	\$0.00	\$3,657.00	100.00%	
Total Insurances	\$44,322.00	\$6,897.70	\$29,616.10	\$14,705.90	33.18%	
Rents & Debt Service						
Debt Service - Principal - NewBridge	\$205,262.70	\$17,657.41	\$175,992.23	\$29,270.47	14.26%	
Debt Service - Interest - NewBridge	\$98,637.67	\$7,667.62	\$77,258.07	\$21,379.60	21.67%	
Building Rent - 621 LLC	\$5,700.00	\$0.00	\$4,275.00	\$1,425.00	25.00%	
Total Rents & Debt Service	\$309,600.37	\$25,325.03	\$257,525.30	\$52,075.07	16.82%	
Facilities						
Building Services	\$31,500.00	\$1,064.08	\$33,758.39	(\$2,258.39)	-7.17%	
Building Supplies & Materials	\$5,000.00	\$622.01	\$1,642.64	\$3,357.36	67.15%	
Custodial Services	\$52,475.87	\$604.99	\$32,636.35	\$19,839.52	37.81%	
Custodial Supplies & Materials	\$8,000.00	\$469.10	\$7,175.76	\$824.24	10.30%	
Miscellaneous Contracts	\$51,500.00	\$4,250.00	\$46,069.04	\$5,430.96	10.55%	
Security Monitoring	\$5,000.00	\$0.00	\$1,514.50	\$3,485.50	69.71%	
Total Facilities	\$153,475.87	\$7,010.18	\$122,796.68	\$30,679.19	19.99%	
Utilities						
Electric	\$42,000.00	\$3,158.60	\$31,665.86	\$10,334.14	24.61%	
Water & Sewer	\$8,000.00	\$0.00	\$5,452.02	\$2,547.98	31.85%	
Waste Management	\$3,450.00	\$541.78	\$2,922.62	\$527.38	15.29%	
Telephone	\$10,000.00	\$0.00	\$6,773.37	\$3,226.63	32.27%	
Total Utilities	\$63,450.00	\$3,700.38	\$46,813.87	\$16,636.13	26.22%	
Transportation & Travel						
Travel Reimbursements	\$172.97	\$0.00	\$172.97	\$0.00	0.00%	
Total Transportation & Travel	\$172.97	\$0.00	\$172.97	\$0.00	0.00%	
Technology						
Software - Instructional	\$11,500.00	\$0.00	\$11,000.87	\$499.13	4.34%	
Software - Office	\$3,900.00	\$265.00	\$4,117.34	(\$217.34)	-5.57%	
Tech Equipment - Instructional	\$15,490.04	\$0.00	\$14,852.89	\$637.15	4.11%	
Tech Equipment - EC	\$900.00	\$0.00	\$621.48	\$278.52	30.95%	
Tech Equipment - Office	\$5,813.01	\$0.00	\$3,402.98	\$2,410.03	41.46%	
Cap Tech Equipment - Instructional	\$12,000.00	\$0.00	\$0.00	\$12,000.00	100.00%	
Cap Tech Equipment - Office	\$1,500.00	\$0.00	\$0.00	\$1,500.00	100.00%	
Tech Supplies & Materials	\$4,000.00	\$7.99	\$3,001.40	\$998.60	24.97%	
Total Technology	\$55,103.05	\$272.99	\$36,996.96	\$18,106.09	32.86%	
Non-Cap Equipment & Leases						
Equipment - Instructional	\$3,784.47	\$0.00	\$3,784.47	\$0.00	0.00%	

	CURRENT BUDGET	MTD ACTIVITY	YTD ACTIVITY	BUDGET BALANCE	PERCENT REMAINING	NOTES
Equipment - EC	\$600.00	\$0.00	\$312.96	\$287.04	47.84%	
Equipment - Office	\$500.00	\$0.00	\$312.65	\$187.35	37.47%	
Copiers & Reproduction	\$8,000.00	\$610.95	\$4,403.62	\$3,596.38	44.95%	
Total Non-Cap Equipment & Leases	\$12,884.47	\$610.95	\$8,813.70	\$4,070.77	31.59%	
Nutrition & Food						
Nutrition Supplies & Materials	\$250.00	\$0.00	\$70.07	\$179.93	71.97%	
Unprepared Food Purchases	\$10,000.00	\$610.16	\$6,027.98	\$3,972.02	39.72%	
Other Food - Office	\$750.00	\$0.00	\$716.90	\$33.10	4.41%	
Total Nutrition & Food	\$11,000.00	\$610.16	\$6,814.95	\$4,185.05	38.05%	
Capital Campaign 660						
Supplies & Materials	\$450.00	\$0.00	\$163.18	\$286.82	63.74%	
Building Rentals/Leases	\$1,100.00	\$0.00	\$550.00	\$550.00	50.00%	
Total Capital Campaign 660	\$1,550.00	\$0.00	\$713.18	\$836.82	53.99%	
Pending Documentation						
Pending Expense Documentation	\$0.00	\$412.50	\$1,050.54	(\$1,050.54)	0.00%	
Total Pending Documentation	\$0.00	\$412.50	\$1,050.54	(\$1,050.54)	0.00%	
TOTAL EXPENSES	\$3,922,937.51	\$325,029.56	\$3,140,407.86	\$782,529.65	19.95%	
NET SURPLUS/(DEFICIT)	(\$53,440.33)	(\$164,457.34)	\$337,311.74			

430 Exceptional Children's Program/Child Find

As required by IDEA 2004, Cape Fear Center for Inquiry will ensure that all children with disabilities within the boundaries of the public agency, including children with disabilities who are homeless or wards of the State, and children with disabilities, regardless of the severity of their disability, and who are in need of special education and related services are identified, located, and evaluated. This will be fulfilled by the Exceptional Children's program. The Exceptional Children's Program at CFCI is served by certified Exceptional Children's staff.

The Coordinator of Student Services acts as the liaison between the Department of Public Instruction and the school to maintain compliance with all North Carolina Exceptional Children Policies and Procedures. Additional responsibilities include the supervision of all student Exceptional Children services, contract personnel, academic and behavioral support systems, maintenance of student records and files and staff development/training. Exceptional Children teachers are scheduled by the Coordinator of Student services to meet the needs of students in all grades. A collaborative team approach is utilized to service and meet each student's individual needs. The Exceptional Children department provides a full continuum of services which are available to all identified or suspected exceptional children.

The Exceptional Children program is driven by the students' Individual Education Plans as well as the team recommendations as to what is in the best interest for each particular child. As a school model, CFCI follows the practice of maintaining students in the least restrictive environment appropriate for each child's needs.

435 Student Support Information

MULTI-TIERED SYSTEM OF SUPPORT (MTSS) - To ensure that all students receive high quality, research-based general education core instruction and, as appropriate, strategic and/or intensive intervention and extension supports matched to student needs, the district utilizes the core principles of a Multi-Tiered Systems of Support. This process utilizes a team-based approach, using data-driven problem solving to analyze how all students are responding to instruction and maximize growth for all students by combining systematic assessment, decision-making, and a multilayered services delivery model. Under this model, students receive support through differentiation in core classroom instruction, small group instruction in class, and/or during additional intervention time. Each tier consists of an increase in support for the individual student based on data collected throughout the instructional process. The following is a basic description of methods to implement each tier.

Core Instruction/Tier I - All students receive core academic and behavioral instruction, differentiated to meet their basic instructional and environmental needs, presented by the classroom teacher.

Supplemental Support/Tier II - Data-driven academic and behavioral interventions and/or extensions are provided and documented in the general education setting along with scheduled measures of the student's response to intervention. This layer of support is in addition to continued Core/Tier I support and differentiation.

Intensive Support/Tier III - Additional data-driven academic and behavioral interventions and/or extensions are provided and documented in an intervention classroom. This includes continued analysis by the problem-solving team of all scientific, research-based intervention(s) and documented modifications, with a focus on progress towards established goals using scheduled measures of the student's response to the intervention(s), or discontinuation of the intervention(s) and the implementation of another scientific research-based intervention. This layer of support is in addition to continued Tier I and Tier II layers of support and differentiation.

Parent/Guardian Involvement in the MTSS Process The school will inform parents/guardians regarding the use of scientific, research-based interventions, including the strategies used to increase the student's rate of learning.



Rives & Associates, LLP
Certified Public Accountants

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Member:
American Institute of
Certified Public Accountants

Member:
North Carolina Association of
Certified Public Accountants

April 24, 2019

To the Board of Directors
Cape Fear Center for Inquiry
Wilmington, North Carolina

We are pleased to confirm our understanding of the services we are to provide Cape Fear Center for Inquiry (the "School") for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the School as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the 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 the School's RSI in accordance with auditing standards generally accepted in the United States of America. 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 evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the 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 auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal and State awards
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
- 3) Schedules of School Contributions and School's Proportionate Share of the Net Pension Liability

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Phone: 919-832-6848
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1023 W. Morehead Street, Suite 100
Charlotte, NC 28208
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Fax: 704-372-1458

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to 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. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of The School and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of The School's financial statements. Our report will be addressed to Board of Commissioners of the School. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. 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 may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 on compliance, and (2) that 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 paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the School is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting 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 a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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 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, and of any material abuse that comes to our attention. 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.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including 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. 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*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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 and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of The 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*.

Other Services

We will also assist in preparing the financial statements and related notes of the School in conformity with U.S. generally accepted accounting principles 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 statement 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.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, 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 U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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,

(2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. 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 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report.

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. 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 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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, 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, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, 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.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Engagement Administration, Fees, and Other

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.

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.

We will provide copies of our reports to the 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 Rives & Associates, LLP 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 an oversight agency 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 Rives & Associates, LLP 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 Oversight Agency or pass-through entity. 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.

We expect to begin our audit approximately during May 2019 and to issue our reports no later than October 31, 2019. Jay E. Sharpe, CPA, CFE is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed **\$9,555.00 (\$8,355.00 for the Audits and \$1,200.00 for the 990 tax return)**. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. ***The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.***

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by these addressees. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by use in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any

consequential, incidental, direct, indirect, or special damages, such as loss of revenues, or anticipated profits, or disclosure or communication of confidential or proprietary information.

In the event we are required to respond to a court order or other legal process for the production of documents or/or testimony relative to information we obtained and/or prepared during the course of this engaging, you agree to compensate us at our hourly rates, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared, the terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

We appreciate the opportunity to be of service to the 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 enclosed copy and return it to us.

Very truly yours,

Rives & Associates LLP

RESPONSE:

This letter correctly sets forth the understanding of Cape Fear Center for Inquiry.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

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.



Rives & Associates, LLP
Certified Public Accountants

Member:
American Institute of
Certified Public Accountants

Member:
North Carolina Association of
Certified Public Accountants

www.rivescpa.com

April 24, 2019

To the Board of Directors
Cape Fear Center for Inquiry
Wilmington, North Carolina

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cape Fear Center for Inquiry (the "School") for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 24, 2019, 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.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the budgetary schedule, as well as the accompanying Schedule of Expenditures of Federal and State Awards, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

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

Our audit will include obtaining an understanding of the entity and its environment, including 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.

4515 Falls of Neuse Road, Suite 450
Raleigh, NC 27609
Phone: 919-832-6848
Fax: 919-832-7288

212 West Center Street
P.O. Box 1991
Lexington, NC 27293
Phone: 336-248-8281
Fax: 336-248-2335

1023 W. Morehead Street, Suite 100
Charlotte, NC 28208
Phone: 704-372-0960
Fax: 704-372-1458

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. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in approximately May 2019 and issue our report on approximately October 31.

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

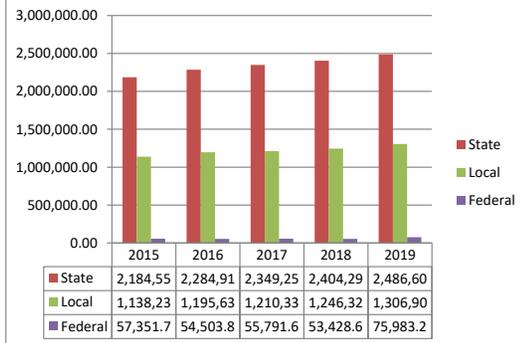
Very truly yours,

Rives & Associates LLP

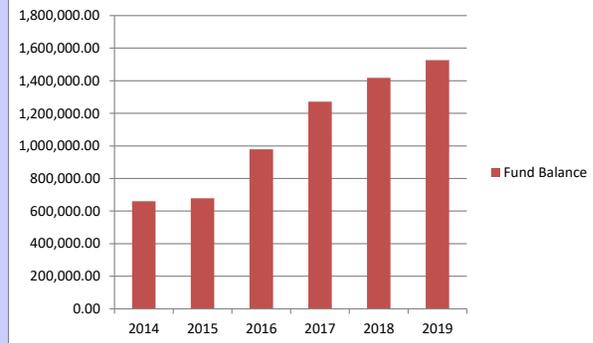
Raleigh, North Carolina

CFCI FINANCIAL DASHBOARD

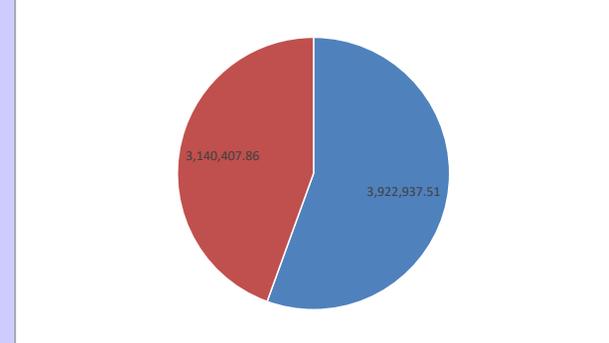
Revenue



Fund Balance



YTD Expense



As of April 30th, 2019 we have completed 83% of the fiscal year and spent 80% of our budgeted funds.

April 21, 2019

It is with regret but also looking hopefully to the future that I submit my resignation as Teacher Assistant at CFCI as of June, 2019.

My 15 years at CFCI have given me many hours of pleasure doing what I love to do...teach. My position has given me has many children to love and teach and a faculty and staff whom I admire and love.

Thank you for the opportunity to work with you and CFCI.

Sincerely,

F. Carol Radford

F. Carol Radford