



A G E N D A
TOWN OF HERTFORD
TOWN COUNCIL – Regular Meeting
Public Hearing – Local Historic Preservation District
March 9, 2026, 6:00pm
Horace Reid Community Center, 305 W Grubb Street
(In Person & Zoom)

1. Call to Order

2. Invocation and Pledge of Allegiance

3. Approval of Agenda

4. Consent Agenda

(Items of a routine nature will be placed on the Consent Agenda to be voted on in a single motion. Any item may be removed from the Consent Agenda by request of the Mayor/Council Member)

- a) Minutes for the Regular Session February 9, 2026, Retreat February 21, 2026, and Work Session February 23, 2026

5. Public Legislative Hearing – Receive Public Comment on Local Historic Preservation District

6. Citizen Concerns

If anyone would like to address the Council on an item other than a public hearing item during the time of public comment, please sign up with the Town Clerk prior to the meeting. Each speaker is asked to limit comments to 5 minutes. Please provide the clerk with copies of any handouts you have for the Council. Although the Council is interested in hearing your concerns, speakers should not expect action or deliberation on subject matter brought up during the Public Comment segment. Topics requiring further investigation will be referred to the appropriate Town Staff and may be scheduled for a future agenda. Thank you for your consideration of the Hertford Town Council, staff and other speakers.

7. Continued Business

- a)

8. New Business

- a) Adopt Ordinance for Text Amendment to Add Metal Fabrication to Zone C6 by Right
b) Approve Selection of Audit Firm

- c) Approve Selection of IT Firm
- d) Approve Selection of Feasibility Study Firm
- e) Approve - Engaging Moffat & Nichol for Phase I of Refresher of Riverfront Plan
- f) Approve Contract for Accounting and Bookkeeping Services
- g) Budget Amendments
- h) Discussion CityVision 2026 – Raleigh May 5-7

9. Manager's Update

10. Council's Reports/Concerns

11. Announcements

12. Adjournment

5

LEGISLATIVE HEARING INTRODUCTION
March 9, 2026 for Local Historic District

Good evening and thank you for being here.

Tonight, we are holding a joint legislative hearing of the Town Council and the Local Historic Preservation Commission regarding the proposed creation of a Local Historic District.

Under **North Carolina General Statutes 160D-940 through 160D-951A**, towns are authorized to create local historic districts to preserve areas that have architectural, historical, or cultural significance. The Commission has studied a defined area of Hertford and is recommending its designation as a Local Historic District.

Before the Town Council can amend the zoning ordinance to create this district, both the Commission and the Council must hold a public legislative hearing. That is what we are doing tonight.

I want to begin by explaining clearly what this proposal does—and what it does not do. This proposal does **not** change who owns property. It does **not** change whether property is residential or commercial. It does **not** regulate interior renovations.

What it would do is create a review process for certain exterior changes that are visible from a public street—such as major alterations, new construction, or demolition. Before those projects begin, a property owner would apply for what is called a Certificate of Appropriateness, which the Historic Preservation Commission would review in a public meeting.

Routine maintenance and repairs using the same materials generally would not require review.

The purpose of this district is not to prevent improvement. It is to ensure that changes are compatible with the historic character that gives this area of Hertford its identity and sense of place.

Historic preservation is about stewardship. It is about recognizing that the character of a place belongs not only to one generation but to future generations as well. Tonight is an opportunity for property owners and the public to share comments, ask questions, and express support or concerns. This is a legislative hearing, meaning we are gathering information before any decision is made.

We appreciate your participation and respectful dialogue as we consider what is best for Hertford's future

Joint Legislative Hearing

Proposed Local Historic District – Town of Hertford

The Town of Hertford, pursuant to North Carolina General Statutes 160D-940 through 160D-951A, is considering the creation of a **Local Historic District** in a defined area of town.

Before any decision is made, the Historic Preservation Commission and the Town Council will hold a joint legislative hearing to receive public comment.

What Does This Mean?

If adopted:

- Exterior changes visible from a public street (such as major alterations, new construction, or demolition) would require approval from the Historic Preservation Commission before work begins.
- Routine maintenance and interior work would not be regulated.
- Property ownership and basic zoning uses (residential, commercial, etc.) would not change.

The purpose of the district is to preserve the historic character and architectural heritage of the area while allowing reasonable improvements.

8a

AN ORDINANCE AMENDING THE TOWN OF HERTFORD ZONING ORDINANCE TO PERMIT METAL FABRICATION IN THE C-6 COMMERCIAL DISTRICT AS A PERMITTED USE

WHEREAS, the Town Council of the Town of Hertford has adopted a Zoning Ordinance to regulate land use within the Town's planning jurisdiction; and

WHEREAS, the C-6 Commercial District is intended to accommodate a range of commercial and light industrial uses that provide employment opportunities and economic development; and

WHEREAS, the current C-6 district language does not expressly list large-scale metal fabrication as a permitted use; and

WHEREAS, the Town Council finds that metal fabrication, when conducted in compliance with applicable local, state, and federal regulations, is consistent with the intent of the C-6 district and compatible with other uses permitted therein;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Hertford that the Zoning Ordinance is hereby amended as follows:

Section 1. Amendment to Table of Permitted Uses

Section 2 , "Table of Permitted Uses," is hereby amended by adding the following use to the C-6 Commercial District as a permitted use (P):

Metal Fabrication (including large-scale fabrication, processing, assembly, and finishing of metal products) – P

Section 2. Definition Added

Section 11 , "Definitions," is hereby amended to add the following definition:

Metal Fabrication: The cutting, shaping, forming, welding, machining, finishing, and assembly of metal materials into products or component parts, including operations conducted at a commercial or industrial scale. This use may include accessory storage of raw materials and finished products.

Section 5. Effective Date

This Ordinance shall become effective upon adoption.

Adopted this ___ day of _____, 2026.

R. Ashley Hodges, Mayor

ATTEST:

Gina Durante, Clerk

8b



CPAs

PLLC

Accounting • Tax • Advisory

TOWN OF HERTFORD

FIRST SECTION

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Diana Hardy, CPA, CFE

CHIEF OPERATING OFFICER

GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201

Greensboro, NC 27408

Phone: (336) 481-0281

Email: dhardy@rh-accounting.com

Website: www.rh-accounting.com

Member:
North Carolina Association
of Certified Public Accountants



Member:
American Institute of
Certified Public Accountants

Accounting • Tax • Advisory

February 20, 2026

To Whom it May Concern:

RH CPAs, PLLC is pleased to submit this proposal in response to the Town's request for proposal (RFP) for auditing services for the year ending June 30, 2026. Our response demonstrates our qualifications and professionalism in order to start a mutually beneficial auditor-client relationship.

RH CPAs has an over thirty-year history of exceeding the expectations of our clients. Our Firm was founded on the premise that our clients should have high expectations of us and that we have even higher expectations of ourselves. We develop trusted, long-term relationships with our clients and provide them with the depth of services that larger accounting firms offer but at a significantly better value and cost. Our team is known for its responsive, dependable, and personable service.

This proposal is a firm offer of our services for any and all periods indicated. We will service your account with expert staff based in our Greensboro and Lexington offices, with support from our other office as needed. We are available for further interview or verbal presentation for clarification of any part of this proposal. We appreciate your consideration of our proposal and look forward to your response.

Regards,

RH CPAs, PLLC

Diana Hardy, CPA, CFE
Chief Operating Officer
(336) 481-0281

LEXINGTON
(336) 248-8281

CHARLOTTE
(704) 372-0960

GREENSBORO
(336) 481-0167

rh-accounting.com

TABLE OF CONTENTS

FIRST SECTION

1 - 2	Engagement Staff and Firm Profile	2
3 - 4	Government Clients	3
5	Peer Review	6
6	Staffing and Team Biographies	6
7 - 8	Education and Experience	9
9	Specialized Skills and Training	11
10	References	12
11	Independence	12
12	Insurance Coverage	13
13	Regulatory Actions	13
14	NC Local Governmental Commission & UNC School of Government	14

APPENDICES:

Attachment A – 2023 Peer Review Report

Attachment B – Independence Manual

FIRST SECTION

1 – 2. ENGAGEMENT STAFF AND FIRM PROFILE

The Town of Hertford’s audit will be staffed by RH CPAs, PLLC as follows:

<u>Level</u>	<u>Individual</u>	<u>Office</u>	<u>% time on-site</u>
Chief Operating Officer	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Senior Audit Manager	Michael Carey, CPA, CFE	Remote in NC	50% minimum
Senior Staff	Michael Ellis	Lexington	100%
Staff	Steven Montesano	Lexington	100%
Staff	Thomas England	Lexington	100%

RH CPAs, PLLC is a professional limited liability company licensed by the North Carolina State Board of CPA Examiners and is engaged in the practice of public accounting with three offices in North Carolina. RH CPAs, PLLC evolved from Rives & Associates, LLP to accommodate the firm’s growth and expanded leadership team to support all of its service lines. With a staff of more than sixty highly trained professionals, RH CPAs, PLLC (RH) has excelled in serving North Carolina clients for over thirty years.

We have a primary objective to provide high quality audit, accounting, tax, and advisory services to clients in the best professional manner. Our partners, managers, and staff are expected to comply with this statement of philosophy in order to achieve the desired objective. “Professionalism” in the accounting profession means integrity, objectivity, independence where required, adherence to professional standards and applicable laws and regulations, and a demonstrated will to maintain and improve the quality of professional services and to withstand all pressures competitive and otherwise, to not compromise on principles, standards, and quality. Particularly in the field of auditing, professionalism requires an understanding of and dedication to the public interest. The public interest in audited financial statements has placed the public accounting profession in a unique position of public trust. Moreover, there is also a significant public interest in the way in which the Firm carries out accounting, tax, and advisory services. Therefore, no client or Firm consideration is allowed to interfere with our ability to carry out our commitment to professionalism.

Our Non-Profit/Governmental Team takes audit and tax services beyond the basics by providing advice throughout the audit process to improve operations and ensure compliance with regulations and general statutes. We are a member of the American Institute of Certified Public Accountants Governmental Audit Quality Center, North Carolina Association of Certified Public Accountants, North Carolina Association of School Board Officials, the American Institute of Certified Public Accountants Private Practice Center, and the North Carolina Center for Nonprofits.

In prior years the Firm was named in the Top 5 North Carolina Small Businesses and the Top 50 Small Businesses in the South. The Firm was also awarded “FAST 50” status in the Triad Area and Best Places to Work in 2022 by the Triad Business Journal.

CORE VALUES

At RH CPAs we are:

Personable – We provide services with personality

Responsive – We set expectations and exceed them

Team Player – The total is greater than the sum of the parts

Can-Do Attitude – Mindset is everything

Dependable – We say what we will do, and do it

Our purpose is exceeding expectations with expertise and enthusiasm. We will build and maintain relationships with employees of the Town of Hertford. The Town of Hertford's staff will know that they can depend on us to provide quality audit, accounting, and advisory services.

3 - 4. GOVERNMENT CLIENTS

Below is a sample of a governmental audit clients RH CPAs, PLLC has served:

Client	Service	Years Served	GASB 34
Caldwell Community College	Financial statement audit	6	Yes
Town of Benson	Financial statement audit	3	Yes
Town of Pittsboro	Financial statement audit and Single Audit	6	Yes
City of Kinston	Financial statement audit and Single Audit	6	Yes
Town of Ayden	Financial statement audit	1	Yes
Town of Goldston	Financial statement audit and Single Audit	5	Yes
Davidson County Community College	Financial statement audit	3	Yes
Cape Fear Community College Foundation	Financial statement audit	5	No
Durham Tech Community College Foundation	Financial statement audit	3	No
Johnston County Community College Foundation	Financial statement audit	3	No
Beaufort Community College Foundation	Financial statement audit	2	No

Wake County Board of Education	Financial statement audit and Single Audit	6	Yes
Wayne County Board of Education	Financial statement audit	3	Yes
Jones County Board of Education	Financial statement audit	3	Yes
Various charter schools throughout NC	Financial statement audit and Single Audit	3 - 10	Yes
Duplin County	Financial statement audit and Single Audit	3	Yes
Anson County Schools	Financial statement audit and Single Audit	12	Yes
Davidson County Schools	Financial statement audit and Single Audit	3	Yes
Durham Public Schools	Financial statement audit and Single Audit	10	Yes
Rowan-Salisbury Board of Education	Financial statement audit and Single Audit	6	Yes
Rockingham Community College	Financial statement audit	1	Yes
Thomasville City Schools	Financial statement audit and Single Audit	12	Yes
Wilkes County Schools	Financial statement audit and Single Audit	4	Yes
Yadkin County Schools	Financial statement audit and Single Audit	11	Yes
Town of Seagrove	Financial statement audit and Single Audit	7	Yes
Town of Wilkesboro	Financial statement audit	2	Yes
Town of Davidson	Financial statement audit	1	Yes
Town of Stanley	Financial statement audit	2	Yes
Town of Tyrone	Financial statement audit	2	Yes
Town of Spencer	Financial statement audit	4	Yes
Graham County	Financial statement audit and Single Audit	1	Yes

Town of Robbinsville	Financial statement audit	2	Yes
North Carolina Lions, Inc.	Financial statement audit	5	Yes

A sample of relevant clients that Diana Hardy has worked on in the past include:

• Town of Pittsboro	Manager	1 year
• City of Kinston	Manager/Partner	6 years
• Caldwell Community College	Manager/Partner	6 years
• Wake County Board of Education	Manager	3 years
• Wayne County Board of Education	Manager	3 years
• Jones County Board of Education	Manager	3 years
• Durham County Board of Education	Manager	2 years
• Various charter schools (all under GASB 34)	Various	12+ years
• Town of Davidson	Partner	1 year
• Town of Stanley	Partner	3 years
• Town of Robbinsville	Partner	2 years
• Duplin County	Partner	4 years
• Graham County	Partner	1 year
• Town of Tryon	Partner	1 year
• North Carolina Lions, Inc.	Partner	5 years
• Town of Spencer	Partner	4 years

A sample of relevant clients that Mike Carey has worked on in the past include:

• Town of Stanley	Sr Manager	2 years
• Town of Tryon	Sr. Manager	2 year
• City of Raleigh (separate firm)	Sr. Manager	1 year
• Durham County (separate firm)	Sr. Manager	2 year
• Greene County (separate firm)	Sr. Manager	2 year
• Randolph County (separate firm)	Sr. Manager	2 year
• City of Reidsville (separate firm)	Sr. Manager	2 year

A sample of relevant clients that Michael Ellis has worked on in the past include:

• Pathways Community Center	Sr. Staff	1 year
• Town of Tryon	Sr. Staff	1 year
• Town of Stanley	Sr. Staff	1 year
• Sampson County	Sr. Staff	1 year
• Unity Classical Charter School	Sr. Staff	1 year
• Westlake Norman	Sr. Staff	1 year

5. PEER REVIEW

RH is a member of the American Institute of Certified Public Accountants (AICPA) and participants in the AICPA Peer Review Program. The AICPA Peer Review Program, administered by the North Carolina Association of Certified Public Accountants in North Carolina, 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. Our most recent peer review for the year ended March 31, 2023, received a “pass” rating, the highest rating of quality controls. See a copy of the peer review report in **Appendix A**.

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.

6. STAFFING AND TEAM BIOGRAPHIES

RH employs approximately sixty professionals over its three offices in North Carolina. The staffing needs are based on the complexity and nature of the organization, timing, and the extent of procedures which must be performed to meet the audit and tax objective, and the travel involved. We have designated specific associates to the engagement however, our associates are interchangeable between our offices and their assignments may change. There will be a minimum of two audit associates, one manager, and director designated to the engagement at all times. Each member of this team will be fully available to satisfy the needs of the engagement.

Our priority is making sure you are working with trusted professionals who have a clear understanding of your goals, strategies and reporting needs. Our partners and managers maintain a high degree of client involvement which minimizes the overhead and reduces the audit costs. This also provides the client a higher level of expertise that is always available.

All staff assigned to the Town’s audit will have previous governmental audit experience. All staff also have experience preparing financial statements under the GASB 34 model.

SUPERVISING AUDITOR

Diana Hardy will be the director in charge for the audit. Additional information for staff is as follows

Diana Hardy, CPA, CFE – Chief Operating Officer

dhardy@rh-accounting.com

[336-481-0281](tel:336-481-0281)

Diana Hardy is the Greensboro office's partner and services the firm's governmental and non-profit clients. Diana joined RH in 2015 and brings over 15 years of experience in governmental and not-for-profit organizations. Her work experience includes working with a variety of Towns, Boards of Education, Community Colleges, not-for-profits, community health centers, HUD and affordable housing audits, charter schools, private schools, churches, foundations, manufacturing companies, and insurance companies.

In addition to her auditing experience, Diana performs forensic and fraud investigative services. She is a member of the Central Carolina Chapter of the Association of Certified Fraud Examiners.



Community Involvement

- Immediate Past Board Chair – Goodwill Industries of Central North Carolina
- Past Chair - North Carolina Captive Insurance Association
- Captive Insurance Companies Association – NextGen Committee Co-chair and Conference Planning Committee Member

Education and Licenses

- Bachelor of Science in Accounting – North Carolina State University
- Master of Accountancy – North Carolina State University
- Licensed as a Certified Public Accountant in the State of North Carolina (license #36753).
- Licensed as a Certified Fraud Examiner

Professional Affiliations

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

Continuing Professional Education

Diana's continuing education includes attendance at courses concentrating on audit services for governmental industry clients, not-for-profits, and fraud audits. She has maintained the required CPE levels over the past three years, including annual ethics requirements. She has also led seminars on fraud and auditing.

Mike Carey, CPA, CFE – Senior Audit Manager

mcarey@rh-accounting.com

336-248-8281

Mike Carey, CPA, CFE is a Senior Manager of RH CPAs, PLLC and serves a variety of clients. Mike rejoined RH CPAs, PLLC in 2023 and brings over 15 years of auditing experience in nonpublic/commercial entities, not-for-profit organizations, local governments, and employee benefit plans. Mike's work experience in nonpublic and commercial entities includes working with insurance, manufacturing, service, technology, and distribution companies. His not-for-profit experience includes working with HUD and affordable housing, charter schools, service organizations, and foundation entities. His local government experience includes auditing North Carolina towns, cities, and counties.



Professional Affiliations

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

Education, Accreditations and, Licenses

- Bachelors of Science in Accounting and Finance – Virginia Tech
- Masters of Business Administration – ~~East~~ Carolina University
- Accredited Certified Fraud Examiner
- Licensed as a Certified Public Accountant in North Carolina and California

Community Involvement

- Board Member and Treasurer of Rolesville Charter Academy

Michael Ellis – Senior Audit Associate

mellis@rh-accounting.com

[336-248-8281](tel:336-248-8281)

Michael Ellis is a Senior Audit Associate in the Lexington office of RH CPAs, PLLC and serves a variety of clients. Michael joined RH in 2025 and brings over 10 years of auditing experience in state governments, nonpublic/commercial entities, not-for-profit organizations, and employee benefit plans. Michael's work experience in state governments includes auditing at state level (Washington, D.C., Maryland, Virginia) of governmental entities contracted via Federal Agency. His work experience in nonpublic and commercial entities includes working with manufacturing, service, technology/software, and distribution companies. His not-for-profit experience includes working with charter schools and service organizations.



Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)

Education

- Bachelors of Science in Business Administration with a concentration in Mass Communications – Shenandoah University
- Masters of Science in Accounting – Southern New Hampshire University *online*

7 - 8. EDUCATION AND EXPERIENCE

It is RH CPAs, PLLC's policy that all audit staff maintain at a minimum of 40 hours of CPE on an annual basis, whether or not that they have at their CPA license. This continuing professional education is accomplished through a combination of conferences, seminars, webinars, self-study course and internal CPE courses. Every staff assigned to the Town's audit will have sufficient CPE and Yellow Book credit hours on an ongoing basis.

Some of the many seminars the Firm's staff has attended in recent years:

- The Firm sends many of its staff to the NCACPA LGC Conference annually
- The Firm sends staff to the Annual UNC School of Government update
- The Firm sends staff to the NC Government Finance Officer Conferences throughout the year

Authorized Non-Profit/Governmental Courses and Seminars

- UNC School of Government Annual Updates
- Local Government Conference
- Understanding, Applying & Documenting Governmental Compliance Requirements
- Fraud in non-profits
- GASB Update
- Auditing & Accounting
- Governmental Accounting and Auditing - Preparation, Developing, Writing

- Auditing of School Districts
- Governmental/Non-Profit Accounting & Auditing Update
- Internal Controls and SAS 115
- A & A Concepts & Financial Disclosure
- Yellow Book Update and Risk Assessment
- Governmental Audit Sampling - Substantive & Compliance

In addition to the in-house courses and seminars, the Non-Profit/Governmental Audit Team members also attend courses and seminars conducted by other organizations such as NCACPA and AICPA. Below is a sample of courses and seminars attended by the Non-Profit/Governmental Audit Team conducted by other organizations:

- Applying A-133 to Non-profit and Governmental Organizations
- NC Accountancy Law, Ethics, Principles and Professional Responsibilities
- Compliance Auditing Workshop
- Non-For-Profit Conference
- Studies on Single Audit and Yellow Book Deficiencies
- Local Government Commission Update
- Economic Update
- The SBI and White Collar Crime
- Compliance Auditing School Districts
- Frequent Frauds Found In Governments and Not For Profits
- Professional Ethics and Conduct
- Employee Benefit Conference

All staff assigned to the Town's audit will have previous experience with reporting under GASB 34 model. RH initiated its practice in the non-profit and governmental service industry in response to our observation that larger firms were devoting fewer and fewer resources to their smaller and mid-size clients. The collective and extensive experience of our Non-Profit/Governmental Team has developed one of the fastest growing service areas of RH. Ever-changing accounting standards, economic conditions and the continued rise in operating costs have propelled our Non-Profit/Governmental Team to help entities alleviate the pressures facing the industries. Our commitment to the non-profit and governmental industry is reflected in the significant growth of our practice and the retention of those clients.

The experience and capabilities of our Non-Profit/Governmental Audit Team include:

- | | |
|---------------------------|-----------------------------------|
| • Financial Audits | • Risk Assessment and Remediation |
| • Single Audits | • Strategic Planning |
| • Program Specific Audits | • Internal Controls |
| • Agreed-upon Procedures | • Efficiency Studies |
| • Forensic Audits | • Staff Training Seminars |
| • Performance Audits | • Management Reviews |

Our Uniform Guidance Single Audit experience, which we perform on a recurring basis, includes the following federal and state programs:

- FEMA Disaster Grants
- Clean Water State Revolving Fund
- Home Investment Partnership Program
- Head Start and Early Head Start
- Child and Adult Care Food Program
- Special Education Cluster
- Weatherization Assistance Program
- Workforce Investment Act
- N.C. Pre-K (More At Four)
- School Improvement Grants
- ARPA
- Powell Bill
- Community Development Block Grant
- Improving Teacher Quality
- Title II Immigrant & Youth
- National School Lunch Program
- School Breakfast Program
- Education Technology
- English Language Acquisition Grants
- N.C. State Public School Fund
- Public Building Capital Fund
- State Buses Appropriation
- Home Care Program
- Title 1, Part A Cluster Grants
- Coronavirus Relief Fund

As noted under our Firm Profile, the Firm has vast experience in auditing government agencies. That includes an array of Federal Single Audits and State Single Audits for various programs. Our governmental experience also includes:

- Municipalities
- Community College Foundations
- Community Colleges
- Boards of Education
- Various types of not-for-profits including charitable organizations and foundations, including Federal and State single audits
- Charter Schools
- EMS units
- HUD properties
- Community Health Centers

9. SPECIALIZED SKILLS AND TRAINING

The following discusses some of the specialized skills and training for individuals that may be assigned to the Town of Hertford's audit:

Diana Hardy – In addition to her CPA license, Diana holds her certified fraud examiners license. She has also co-lead seminars in the past discussing fraud deterrence and detection methods. She is also a regular speaker at local and national insurance conferences

Mike Carey – Mike is a licensed Certified Public Accountant and a registered Certified Fraud Examiner. Mike also has a Masters in Business Administration with a certificate in project management

Michael Ellis – Michael has a Bachelors of Science in Business Administration with a concentration in Mass Communications and a Masters in Accounting

10. REFERENCES

We invite you to contact personnel of other current audit clients (as shown below) in regard to their experience with us.

Duplin County

Chelsey Lanier: chelsey.lanier@duplincountync.com
(910) 296-2104
PO Box 950
Kenansville, NC 28349

Town of Davidson

Pieter Swart: pswart@townofdavidson.org
(704) 940-9648
PO Box 579
Davidson, NC 28036

City of Kinston

Donna Goodson: Donna.Goodson@ci.kinston.nc.us
252-939-3281
207 E King Street
Kinston, NC 28502

Caldwell Community College and Technical Institute

Rashelle Penley: rpenley@cccti.edu
828-726-2222
2855 Hickory Blvd
Hudson, NC 28638

Visit Lake Norman

Sally Ashworth: ashworth@lakenorman.org
704-987-3300
19900 W Catawba Ave. Suite 102
Cornelius, NC 28031

Unity Classical Charter School

Gabby Morrison: gmorrison@unityclassical.org
980-202-5899
1929 W Arrowood Road
Charlotte, NC 28217

Additional references available upon request.

11. INDEPENDENCE

In accordance with the quality control document of RH CPAs, PLLC, 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 Town, RH CPAs, PLLC is independent in fact and appearance. Please see **Appendix B** for a copy of our employee manual as it concerns independence.

12. INSURANCE COVERAGE

RH CPAs, PLLC 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.

13. REGULATORY ACTIONS

No regulatory action has been taken against the Firm or any staff members that will be assigned to the audit. We are NOT debarred from performing work for any State or Federal governmental agencies.



14. NC LOCAL GOVERNMENT COMMISSION & UNC SCHOOL OF GOVERNMENT

The Firm maintains an open lines of communication with the NC Local Government Commission and continually seeks to provide comments regarding memos published. As noted above, the Firm regularly attends the UNC School of Government Annual Audit Update.

ATTACHMENT A
2023 Peer Review Report

Report on the Firm's System of Quality Control

May 31, 2024

To the Partners
RH CPAs, PLLC
and the Peer Review Committee of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of RH CPAs, PLLC ("the firm") in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of RH CPAs, PLLC in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. RH CPAs, PLLC has received a peer review rating of *pass*.

Duncan Ashe, P.A.

Duncan Ashe, P.A.

ATTACHMENT B
Independence Manual

Excerpt from RH CPAS, PLLC Quality Control Document

Relevant Ethical Requirements

It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the State of North Carolina Board of Accountancy, and the State of North Carolina Association of CPA's in discharging their professional responsibilities as well as those for any other state under whose jurisdiction may apply. Furthermore, it is the policy of our firm that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. Any transaction, event, circumstance, or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under Rules 201 and 202) is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for AICPA Independence Standards* and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships:

1. Investments by any partner or professional employee in a client's business during the period of a professional engagement defined as an audit, attestation, review, compilation engagement, or other service subject to the independence standards of the AICPA, State Board of Accountancy or other applicable regulatory agencies, including a commitment to acquire any direct or material indirect financial interest in a client.
2. An investment in an entity or property by any of the following individuals and the client (or the client's officers or directors, or any partner who has the ability to exercise significant influence over the client) that enables them to control (as defined by GAAP for consolidation purposes) the entity or property:
 - a. An individual on an attest engagement team.
 - b. An individual in a position to influence the attest engagement by doing any of the following:
 - i. evaluating the performance or recommending the compensation of the attest engagement partner,
 - ii. directly supervising or managing the attest engagement partner and all of that partner's superiors,
 - iii. consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or

- iv. participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.
 - c. A partner or manager who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date:
 - i. the firm signs the report on the financial statements for the fiscal year during which those services were provided, or
 - ii. he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis.
 - d. A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement.
 - e. The firm and its employee benefit plans.
 3. Borrowing from or loans to a client, or client's personnel during the period of a professional engagement by any of the individuals listed in items 2. a,-e., except as grandfathered or permitted.
 4. Accepting or offering gifts or entertainment from or to a client unless reasonable in the circumstances and approved by the managing partner.
 5. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on such relationships.)

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the managing partners' discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards.

The firm ensures compliance with this policy by implementing the following procedures:

1. All personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA *Code of Professional Conduct*, the State of North Carolina Board of Accountancy, and the State of North Carolina Association of CPA's ethical requirements. The firm maintains a current copy of those ethical requirements in the firm's library and personnel also have online access to the information. The firm expects its personnel to be familiar with those relevant ethical requirements.
2. All professional personnel are required to sign a representation letter when hired (and annually thereafter) that acknowledges their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel at least every three years. Such training covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.
3. All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of, independence. The current client list is maintained by the QC partner and changes to the list are communicated on a timely basis by a memorandum from the QC partner. When hired (and annually thereafter), all professional personnel are required to sign a

representation that confirms this responsibility.

4. To ensure that independence is properly addressed at the engagement level, the engagement partner will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for five years or more will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed.
5. All professional personnel are required to promptly notify the designated QC partner of any circumstances or relationships that may create a potential threat to independence (such as a potential prohibited transaction) or an independence breach, so that appropriate action can be taken. To acknowledge that responsibility, professional personnel are required when hired (and annually thereafter) to sign a representation letter and to list known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. (Each individual keeps a copy of their representation letter, which includes cross references to the professional standards of relevant ethical requirements that govern the firm. Professional standards, including the AICPA's Conceptual Framework for AICPA Independence Standards, and the advice of the QC partner may be consulted if an employee is unsure if a threat to independence should be reported to firm management.).
6. If a potential threat to independence is identified, the QC partner accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner can determine whether they satisfy independence requirements, (b) the engagement partner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. For clients of whom the firm is not independent, only compilation services are performed and the firm discloses the lack of independence in its accountant's compilation reports for those clients.
7. If performing a group audit, the firm is required to obtain a written representation regarding the component auditor's independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure.
8. The engagement partner (or the accountant in charge under the partner's supervision) has the primary responsibility for determining if there are unpaid fees on any of his clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable listing and the engagement partner's knowledge of unbilled fees should be considered in making this determination. In addition, the managing partners have secondary responsibility to review the firm's

accounts receivable listing on a periodic basis to identify potential independence problems.

9. The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in Government Auditing Standards for ongoing, planned, and future audits. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.
10. The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by litigation (a) between the client and the firm, (b) with the client company's securities holders, and (c) from other third parties.
11. If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or governmental component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence.
12. The managing partners have the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client.
13. The QC partner is responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters (including questions from the representation letters and those from other sources). In determining a resolution, firm management should consider the AICPA's Conceptual Framework for AICPA Independence Standards and, when necessary, consult the AICPA or the North Carolina Association of CPA's for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter should be filed in the client's permanent workpaper files. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination.
14. The QC partner is responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance checklists used by the firm in attest engagements include questions to help ensure compliance with this requirement.

15. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken.
16. At least annually, the QC partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively.



CPAs

PLLC

Accounting • Tax • Advisory

TOWN OF HERTFORD

SECOND SECTION

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Diana Hardy, CPA, CFE

CHIEF OPERATING OFFICER

GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201

Greensboro, NC 27408

Phone: (336) 481-0281

Email: dhardy@rh-accounting.com

Website: www.rh-accounting.com

TABLE OF CONTENTS

SECOND SECTION

Technical Approach	2
Audit Timeline	4
Fees	5

APPENDICES:

Attachment C – Cost Proposal

Appendix A – Summary of Audit Costs Sheet

SECOND SECTION

1, 2, 3, 4, 5, 6, & 7. TECHNICAL APPROACH

AUDIT APPROACH

Our audit approach is designed to maximize efficiencies, by leveraging staff and technology. We utilize automated processes, and have staff that specializes in certain areas of the audits, such internal control tests and high risk areas. We have found that we can complete more efficient audits by utilizing this approach, which also provides a high level of expertise, therefore improving service and recommendations to your organization. Our goal is to provide an efficient high-quality audit.

RISK ASSESMENT

We will perform a risk assessment of the financial reporting process. This assessment will evaluate both inherent and control risks. Based on this risk assessment, we will concentrate our audit procedures on higher risk areas.

AUDIT PROGRAMS

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 local government industry from PPC and CCH (a Walters Kluwer product).

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 our professional 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.

INTERNAL CONTROL

We will gain an understanding of internal controls through the use of internal control walkthroughs. We typically perform control testing over major areas such as cash disbursement, receipts and payroll. We prefer to conduct internal control testing during interim fieldwork and during the actual year under audit so we can gain an understanding of controls during the year.

MANAGEMENT LETTER COMMENTS

During 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 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.

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 Town'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. In addition, we will provide verbally any areas we observe for improvement to management. 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.

Client Assistance Methodology

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 Engagement Organizer and Prosystem Engagement. Therefore, the items requested are preferred in electronic format whenever possible. In addition to the environmental benefit, this can save significant amounts of time in calculations, sampling, procedures, and record keeping ultimately reducing audit costs.

We fully understand that minimizing costs is a high objective of both the Firm and the Town. In order to accomplish this we do expect complete cooperation from the Town'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 and management 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 Town'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. We will provide a list of items needed ahead of fieldwork.

The Town's audit will be staffed by RH CPAs, PLLC as follows:

<u>Level</u>	<u>Individual</u>	<u>Office</u>	<u>% time on-site</u>
Chief Operating Officer	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Senior Audit Manager	Mike Carey, CPA, CFE	Remote in NC	50% minimum
Senior Staff	Michael Ellis	Lexington	100%
Staff	Steven Montesano	Lexington	100%
Staff	Thomas England	Lexington	100%

8. AUDIT TIMELINE

This is a tentative schedule. **Actual dates will be determined in a preliminary meeting with management.**

March 2026 RH is awarded the audit.

March 2026 Engagement letter and contracts are prepared. Signed engagement letters and contracts are returned to RH and submitted to the LGC for approval. RH communicates with the predecessor auditors and sets up a time to review their working papers. RH sets a pre-planning conference with Finance Staff.

Engagement Fieldwork

June 15th - 30th We will conduct preliminary fieldwork. This will include planning, risk assessment, procedures, internal control testing, and compliance testing (if applicable).

Late September, RH will conduct final fieldwork. All issues we note during our audit will be discussed with staff
Early October before fieldwork is complete.

Engagement Conclusion

September 15th A post-closing trial balance will be agreed upon.

October 30, Financial statement preparer will provide draft annual report to Finance Officer and
2026 audit team.

November 15 Audit team will provide feedback to the Financial statement preparer for updates
2026

November 30 We will submit the audit to the LGC for review, once approved by Finance Officer
2026

TBD by Finance We will present the audit to the Board
Officer

9. FEES

A full cost breakdown can be found in **Appendix C**. The following is our summary fee proposal for the audit services for the Town for the fiscal year ending June 30, 2026:

June 30, 2026	Audit Services	\$ 50,300
June 30, 2027	Audit Services	\$ 52,330
June 30, 2028	Audit Services	\$ 57,600

Compliance testing will be billed at \$4,000 per Federal or State program tested.

We determine the fee by estimating the number of hours it would take to complete the audit multiplied by the billing rates of anticipated staff on the engagement. The estimate also includes any other estimated costs to perform the engagement. The firm recognizes that non-profits and governments are sensitive to costing in today's economic conditions. We have discounted our fees in response to this. We attempt to keep fees for governments and non-profits as flat as possible, but due to increases in operating costs or an increase in procedures (either due to new accounting pronouncements or additional accounting/compliance initiated by organizational growth), inevitably, fees may increase. We will discuss any fee increases with management. Billing is completed as time accrues throughout the audit engagement with one-half due at the commencement of the audit up to 75% with a final bill produced after presentation to the Board.

Technical Questions

We understand management 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 management has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for governments). We will agree to the cost of this additional work with you before beginning any such requests.

10. OTHER INFORMATION

Why Choose Us?

Service

We at RH 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 we are the size of CPA firm that can give those personal services to the Organization. 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. 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.

RH is an accounting firm that thrives on being different. There are no layers or gatekeepers when working with our Firm. You work with our most experienced experts.

Communication

In order to best serve you, we believe communication is an overriding factor. We will provide constant communication to management on the audit process through the engagement and be available for technical questions throughout the year.

ATTACHMENT C
Cost Proposal

**Town of Hertford
Cost Proposal
Audit Services - June 30, 2026**



The following is a summary of our cost proposal for the audit services of the **Town of Hertford** for the year ended June 30, 2026. This cost proposal is on a "not-to-exceed" basis.

Personnel Costs

	<u>Partner</u>	<u>Senior Manager</u>	<u>Senior Staff</u>	<u>Staff</u>	<u>Total</u>
Opening Balance Testing & Annual Report Setup	-	3	6	24	33 *
On-site interim	5	10	30	55	100 **
Year-end onsite	4	10	30	55	99
Auditor's office	-	32	28	35	95
Annual report preparation	2	8	-	30	40
Estimated Hours	11	63	94	199	367
Standard Billing Rates	\$ 290	\$ 250	\$ 120	\$ 90	
Estimated Costs (Rounded)	\$ 3,200	\$ 15,800	\$ 11,300	\$ 17,900	\$ 48,200
Travel time (Billed at 50% of standard billing rates)				\$	2,100
Travel costs (hotel, meal, & mileage)				\$	8,800
Bound report preparation costs (@10 per report)				\$	100
Other costs				\$	-
TOTAL COSTS				\$	59,200
Relationship Discount			15%	\$	(8,900)
COST PROPOSAL FOR 2026 AUDIT AND ANNUAL REPORT PREPARATION				\$	50,300

* Estimated non-recurring first year engagement hours

** On-site interim hours exclude program testing but estimate 3 days for program testing on-site

Compliance testing will be billed at \$4,000 per Federal and/or State program tested based on RH CPA Assessment of Draft SEFSA. Estimate hours per program tested is 20-30 hours depending on complexity of program.

Three Year Estimated Costs at 10 % Annual Fee Increase

COST PROPOSAL FOR 2027 AUDIT AND FINANCIAL STATEMENT PREPARATION	\$ 55,300.00
COST PROPOSAL FOR 2028 AUDIT AND FINANCIAL STATEMENT PREPARATION	\$ 57,830.00
COST PROPOSAL FOR 2029 AUDIT AND FINANCIAL STATEMENT PREPARATION	\$ 63,600.00

APPENDIX A
Summary of Audit Costs Sheet

COMPANY:

RH CPAs, PLLC

ADDRESS:

629 Green Valley Rd, Suite 201, Greensboro, NC 27408

TELEPHONE:

336-248-8281

EMAIL:

dhardy@rh-accounting.com

8c

ITPartners+

Town of Hertford - Managed IT+

Quote Number: QUOTE11484
Prepared For: Town of Hertford

Expiration Date: Tuesday, March 31, 2026



We make IT easy.

The ITPartners+ Managed IT+ is a comprehensive bundle of up-to-date security tools to keep your environment protected.

With the Managed T+ plan you get:

Foundational Monitoring, Security, & Backup

- Monitoring and updating of your workstations and servers
- Cloud to Cloud M365 Backup
- Security Awareness & Phishing Training
- AI Driven Next Gen Antivirus
- DNS Filtering
- Darkweb Monitoring

Advanced Security

- Third Party US Based SOC Team with Advanced Threat Detection
- Multi-Factor Authentication
- Endpoint Detection & Response (EDR)
- Advanced M365 Security
- Persistent M365 Monitoring

Other Services

- Microsoft 365 subscription management*

-You currently have Business Standard licenses which expire at different times. When those license are due for renewal we will discuss the upgrade to Premium or Microsoft Government Commercial Cloud

-Cost of M365 will be billed separately

- Unlimited remote ITPartners+ Help Desk service and on-site service

General troubleshooting not directly related to provided services

- Breach and incident remediation
- Consulting and vendor management
- Requests not related to current services
- Networking management available, billed separately*
 - Required for firewalls, pricing based on firewall size
 - Whole network management available. Pricing will vary depending on needs.

To receive these services, you agree that:

- All workstations are Windows 10 or 11 Pro operating systems
- Everyone will participate in using multi-factor authentication

*Services with a * require additional hardware and licensing fees.

Our passion is positively impacting people.

We work hard to live by three core values —Do Great Work, Make it Fun, and Think Big. We carry these values with us as we partner with you and work alongside your team to provide an unparalleled level of service, partnership, and support.

**MAKE
IT FUN**

**DO
GREAT
WORK**

**THINK
BIG**


Your Investment

Quote details to explain the upfront and monthly costs below.

Onboarding Project **\$3,750.00**

Product	Quantity	Price	Amount
 ITPartners Service - Initial Onboarding	1	\$3,750.00	\$3,750.00

Hardware **\$469.00**

Product	Quantity	Price	Amount
 WattBox IP+ Controllable 5 Outlet (5 Controlled) Compact Power Conditioner With Auto Reboot	1	\$469.00	\$469.00

Monthly Services **\$3,988.50**

Product	Quantity	Price	Amount
 Managed IT+ (Onsite) Monthly	26	\$130.00	\$3,380.00
 Cloud Based Server Backup (Per Server) Monthly	3	\$79.00	\$237.00
 Microsoft NCE Microsoft 365 Business Standard Annual Paid Monthly Monthly	27	\$12.50	\$337.50
 Microsoft NCE Exchange Online (Plan 1) Annual Paid Monthly Monthly	7	\$4.00	\$28.00
 Microsoft Entra ID P1 (NCE) - Annual Paid Monthly Monthly	1	\$6.00	\$6.00

Please note that sales taxes and shipping charges are not included in this quote and may be added to an invoice, if applicable.

One Off	\$4,219.00
Monthly 	\$3,988.50
Shipping	\$0.00
Tax	\$309.46
Total	\$8,516.96



To ensure confidentiality prior to and following formal agreement, all parties involved acknowledge that this proposal and its contents are to be treated as confidential information. Any disclosure to third parties without prior written consent from the proposing party is strictly prohibited.

Essentials IT Terms

Master IT Services Agreement (MSA)

By accepting this quote, you, hereby referred to as the "Partner," represent that you possess the authority to enter into this agreement. You commit to any recurring services presented in this quote for an initial term of three (3) years, which will thereafter automatically renew on each anniversary of the agreement's effective date for successive twelve (12) month periods, unless the Partner provides a minimum of 60-day written notice to ITPartners+ prior to the renewal date. You also acknowledge and consent to be entirely bound by the terms and conditions set forth in the said Master Services Agreement (MSA), available at <https://quote.itpartners.com/termservice>

Governing Documents

This agreement is governed by the ITPartners+ Master Services Agreement (MSA) found at (<https://itpartners.com/itpartners-terms-conditions/>), this ITPartners+ Managed Services Terms. In the event of a conflict, the terms of the Master Services Agreement shall prevail unless otherwise explicitly stated.

Early Termination by Partner for Cause

ITPartners+ is committed to delivering reliable and high-quality managed services. We understand that circumstances may arise where a Partner seeks to terminate this agreement for cause. For the purposes of this agreement, "cause" refers to a material and ongoing failure by ITPartners+ to meet its contractual obligations, despite reasonable notice and an opportunity to remedy the issue.

However, termination for cause is not permitted for issues that fall outside of ITPartners+'s control or stem from factors related to the Partner's environment, including but not limited to:

- If the Partner continues using hardware that ITPartners+ has identified as unsatisfactory, which may impact performance, security, or supportability.
- If the Partner chooses to use software that ITPartners+ has determined to be incompatible, outdated, or unsuitable for a secure and stable IT environment.
- If the Partner or its employees fail or refuse to follow reasonable best-practice recommendations provided by ITPartners+ to maintain a secure and optimized IT environment.
- For Partners with Networking services from ITPartners+: If the Partner makes changes to the IT infrastructure—such as modifying network and/or server configurations, firewall rules, or system settings—without prior communication and approval from ITPartners+.
- If the Partner does not fulfill their obligations under this agreement, such as failing to provide necessary access, resources, or cooperation required for ITPartners+ to effectively deliver services.
- If the Partner experiences internet, power, or voice connectivity outages that are outside of ITPartners+'s control and impact service delivery.

If the Partner believes that ITPartners+ has materially failed to meet its obligations, the Partner must provide written notice detailing the specific concerns. ITPartners+ will have 30 days to investigate and respond with a proposed resolution. Both parties agree to engage in good-faith discussions to attempt to resolve the issue before any termination for cause is considered.

If the issue remains unresolved after the 30-day period after the acceptance of a resolution, the Partner may request executive-level review, where a senior ITPartners+ representative will assess the situation and attempt to facilitate a resolution.

If ITPartners+ is unable to resolve the issue after the review process, the Partner may proceed with termination under the terms outlined in the Master Services Agreement. If the Partner believes ITPartners+ has materially failed to meet its obligations, we encourage an open dialogue to resolve concerns. In the event of a dispute, ITPartners+ will work in good faith to address service concerns before termination is considered.

Fee for Early Termination

In the event of early termination of this agreement by Partner, Partner shall pay ITPartners+ a fee in the amount equal to the average of six prior months' service fees, excluding any variable charges (e.g., one-time project fees, hardware) if applicable, multiplied by the number of months remaining in the Initial Term or Renewal term. Partner acknowledges and agrees that the early termination fee is a fair and reasonable estimate of ITPartners+'s lost revenue and administrative costs due to premature contract cancellation. The Partner waives any right to dispute the enforceability of this fee and agrees that it shall be payable in full within thirty (30) days of termination.

Excluded Services

The following services are not included as part of ITPartners+ Essential IT and will be billed separately at prevailing rates if requested:

- General troubleshooting not directly related to provided services
- Breach and incident remediation
- Consulting and vendor management
- Requests not related to current services
- Backups other than M365 (unless purchased as a separate service)
- Hardware, parts, or equipment costs of any kind;
- New projects that include hardware and/or software upgrades, additions, or reconfigurations;
- Service on failures due to acts of God, building modifications, power failures, or other adverse conditions or factors stressing equipment beyond the limits for which it was originally designed;
- Service and repair made necessary by the alteration or modification of equipment other than that authorized by ITPartners+, including alterations, software installations, or modifications of equipment made by Partner's employees or anyone other than ITPartners+;
- Additional costs, services, and labor caused by Partner's failure to follow ITPartners+'s recommendations regarding the Partner's IT systems and equipment;

- Programming (modification of software code) and custom software maintenance;
- Cabling and/or electrical installations

Partner Obligations

Primary Contact

During the term of this Agreement, Partner shall assign a contact person with primary responsibility for administering the details of this managed services agreement. It is the Partner's responsibility to notify ITPartners+ of changes to the contact person within 30 days of staff turnover.

Network Change Coordination (only if Networking services are added)

Partner shall notify ITPartners+ via email of all significant proposed network changes and shall provide ITPartners+ with the opportunity to review, comment on, and plan for any potential impacts. Significant changes include, but are not limited to:

- Adding, removing, or relocating network devices (e.g., routers, switches, servers)
- Modifying firewall settings, IP addresses, or VPN configurations
- Implementing new software or security updates that impact network functionality
- Any structural change that affects the overall design or security of the network

These requests will be billed at ITPartners+'s then-current rate for time and materials, as they fall outside standard Managed Services.

If Partner fails to notify ITPartners+ of significant network changes, ITPartners+ will not be liable for any resulting issues, including, but not limited to, network instability, downtime, security vulnerabilities, or service disruptions. Any additional work required to address issues from unnotified changes will be billable at ITPartners+'s prevailing hourly rate.

On-site Tasks

ITPartners+ may occasionally request Partner's staff to perform simple on-site tasks to facilitate efficient service delivery. Partner shall comply with all reasonable requests, as timely cooperation is essential for effective support.

Software

Partner shall obtain and supply to ITPartners+ a list of all necessary software used with license keys upon request. Partner is responsible for obtaining all required licenses and Partner access lists.

RMM

ITPartners+ requires the following from the partner for Remote Monitoring and Management to function as intended:

1. Computers must be left on overnight and on the weekends. This is necessary for ITP to install Updates, install third-party patches, carry out computer maintenance, and remote control. They may be rebooted during the agreed upon normal business hours.
2. Specific ports and port ranges must be opened in the firewall (both hardware and software) to allow ITPartners+ to properly monitor and manage all computers.

All applications must be closed out on workstations to allow for computer restarts after updates. Arrangements can be made for specific computers and servers that need to keep critical applications always running.

Automatic Addition of New Security Services

If ITPartners+ identifies a critical security vulnerability or industry-wide security gap that poses a significant risk to the Partner's overall IT environment, we will automatically implement a necessary new security service or software to address the issue. This clause applies only to major security vulnerabilities impacting the IT environment at large and does not include routine or minor updates.

This additional service will be incorporated into your managed services agreement, and we will notify you in writing of this update prior to deployment. You have 30 days from the date of our written notice to opt out of the new security service by providing written notification to ITPartners+. If you opt out within this period, If the Partner chooses to opt out of a security service, ITPartners+ reserves the right to terminate services for security reasons with a 30-day notice. Partner also waives all claims against ITPartners+ for damages, losses, or liability related to the refusal of the security solution.

If the security service or software is not implemented at your request, ITPartners+ will not be liable for any security implications, vulnerabilities, or cascading effects resulting from the absence of this service. This includes, but is not limited to, data breaches, unauthorized access, or any other security incidents that could have been mitigated or potentially mitigated by the implemented service.

Remote Control Policy

Part of Remote Monitoring and Management (RMM) is the installation of remote-control software on every managed computer. By default, when purchasing RMM ITP has access to view the screen as well as remotely connect to every computer that is under the RMM contract. If the partner does not want to grant ITP universal access, arrangements can be made requiring the partner to grant remote access on an individual basis.

Adjustment to Monthly Service Fees

During the term of this agreement, ITPartners+ will apply a pro rata adjustment to the total Monthly Service Fees based on changes in the number of

seats or employees, devices or networks to be covered under managed services. Partner agrees to inform ITPartners+ of all changes to staff and devices used in writing and shall pay all Monthly Service Fees owed to ITPartners+ as they become due following any such adjustment. The Partner agrees that failure to provide timely written notice of personnel or device changes does not exempt them from owed fees.

Partner Delay

If ITPartners+ is unable to commence delivery of the services on the agreed upon managed services start date because of any failure on the part of Partner (including but not limited to failure of Partner to provide resources in a timely manner), Partner nonetheless will begin to incur and Monthly Service Fees on the agreed upon start date.

Labor Tracking

ITPartners+ tracks time in 20-minute increments tracked by ITPartners+'s internal timekeeping system. On-site labor has a 1-hour minimum with time tracked in 20-minute increments after the first hour.

Trip Charges

If the transit time to the on-site location is less than 30 minutes, there is no trip charge. For transit times over 30 minutes one-way there will be a charge equal to the time required to arrive at the on-site location based on the hourly labor rate in effect at that time. For one-way trips over 1-hour, additional fees may apply. Any additional expenses incurred, such as parking fees or overnight accommodations, will be billed directly to the Partner as incurred.

Sales Tax

Prices do not include applicable sales tax.

Support

Ticket: Tickets are service requests that are submitted to ITPartners+ as a formal request. Tickets are either submitted via phone call or emailed to ticket@itpartners.com.

Business Hours

Standard Business Hours Support: 7:30 AM to 5:00 PM Monday – Friday (excluding Holidays)

Ticket Methods:

- Telephone Support: (616) 828-1010 or your Issued support number
- Email Support: ticket@itpartners.com

Emergency Email Support

Available After-Hours, Weekends, Holidays, and Emergencies during Business Hours

- Email: emergency@itpartners.com
- Emergency requests will invoke emergency rates with a 2-hour minimum

8d



Proposal: Feasibility Study for the Use of the Restored Hertford State Theatre

Submitted to: Town of Hertford

Submitted by: David Newsome, Managing Director, Tapestry, LLC

Date: February 26, 2026

I. Executive Summary

The Town of Hertford has made a meaningful investment in the future of downtown through the acquisition and rehabilitation of the historic Hertford State Theatre. Originally constructed in 1937 and largely inactive since the mid-1960s, the Theatre represents both a preserved community asset and a potential regional economic catalyst. With grant funding secured through the North Carolina Department of Commerce's Rural Downtown Economic Development program and local resources committed, the next critical step is determining how the restored facility can operate sustainably and serve the community long term.

Tapestry, LLC proposes to lead a structured 14-week process that will weave together market research, community/stakeholder engagement, and financial and operating scenario modeling to produce a decision-ready analysis that municipal leaders and other community members and stakeholders can use to make informed, intentional decisions about the future of the Theatre, its uses, and its governance.

Tapestry intends to serve as a strategic partner to Town leadership - ensuring the final recommendations are practical, financially grounded, and aligned with Hertford's broader economic development goals. David Newsome, Tapestry's Managing Director will serve as Project Lead and retain full responsibility for methodology, analysis, and final recommendations.

II. Project Understanding

Historic theaters in rural communities can anchor downtown revitalization and strengthen civic identity. However, they require clear vision, realistic revenue and attendance assumptions, and disciplined operating models to remain viable. The objective of this project is to equip Town leadership with defensible, decision-ready recommendations grounded in data, operational discipline, and practical municipal realities.

This feasibility study will produce:

- Identification of potential uses for the Theatre including estimated, realistic market demand
- Multi-year financial projections for plausible operating models including potential future funding streams
- 2-3 future scenarios, including risk assessments and sustainability thresholds, to guide decision making
- Actionable implementation guidance for the first 12–24 months

III. Scope of Work

The study will be completed within 14 weeks of contract execution and organized into four components.

Component 1: Research & Market Analysis (Weeks 1–4)

Purpose	Assess objective market conditions, competitive context, and structural constraints to ground future use scenarios in data.
Objectives	<ul style="list-style-type: none"> • Assess realistic demand for programming and events • Evaluate regional competition within driving radius • Identify demographic, tourism, and economic factors influencing potential Theatre uses • Establish baseline opportunity and constraint framework
Methodology	<ul style="list-style-type: none"> • Review Town, grant, and rehabilitation documentation • Analyze demographic and visitation data • Review of preexisting resources about the Theatre, Hertford, and the surrounding region • Conduct competitive scan of comparable venues • Compile case studies of 5-8 similar projects involving historic buildings in rural downtowns that highlight both success stories and examples of failed projects • Identify stakeholder groups (e.g., residents, tourists, business owners, artists) and decision makers (e.g., town leaders, funders, Theatre directors) • Conduct 10–15 structured stakeholder interviews (Virtual) • Conduct a Strengths, Weaknesses, Opportunities, Threats (“SWOT”) analysis
Inputs & Data Sources	<ul style="list-style-type: none"> • Municipal and grant documentation • U.S. Census and regional demographic data • Tourism and visitation data • Publicly available economic development plans and market studies • Comparable theater public financial and operating information • Stakeholder interviews
Deliverables	<ul style="list-style-type: none"> • Market & Context Briefing Memo • Interview summary • Preliminary analysis • Preliminary options (4-5 potential operating directions) for the Hertford Theatre to serve as conversation starters in the following weeks

Component 2: Stakeholder & Community Engagement (Weeks 5–7)

Purpose	Surface community expectations, clarify acceptable tradeoffs given market realities.
Objectives	<ul style="list-style-type: none"> • Surface community priorities and concerns • Identify “must-have” elements and constraints • Test initial market findings • Build shared understanding of financial and operational implications