

AGENDA
REGULAR MEETING GOVERNING BOARD
1:00 P.M. June 25, 2020

Ed Tech JPA will hold a Board meeting on June 25, 2020, at 1:00 PM via web conference at meet.google.com/njx-znfd-khy Phone Number (US)+1 419-901-8488 PIN: 865 085 361# .

The meetings of the Board at which official action is taken shall be public meetings, and no person shall be excluded therefrom.

The agenda will be published at least 72 hours prior to the meeting. Supporting documentation will be provided at the meeting or emailed electronically to members prior to the meeting as it becomes available.

President	Brianne Ford
Vice-President	John Morgan
Secretary	Jeremy Davis
Treasurer	Michael Johnston

Board of Directors Founding Members

Irvine Unified	Founding Member	Brianne Ford/alternate Michelle Bennett
Capistrano Unified	Founding Member	John Morgan/alternate Stephanie Avera
Clovis Unified	Founding Member	Michael Johnston/alternate Susan Rutledge
Fullerton	Founding Member	Jeremy Davis/alternate Mike McAdam
El Dorado County of Education	Founding Member	Ed Manansala/alternate David Seabury

Agenda

1. Determination of a quorum and call to order - roll call.
2. Approve the Minutes of the previous regular meeting.
3. Public Comment

Anyone may address the Board on any item that is within the Board's subject matter jurisdiction. However, the Board may not take action on any item not on this agenda except as authorized by Government Code section 54954.2. Each topic or item is limited to 30 minutes; each speaker is limited to 3 minutes.

4. Approval of the Agenda
5. Board Member Reports
6. Treasurer Report

Michael Johnston will provide an update to the board.

7. Standing Reports

- 7.a. Membership
- 7.b. Communications
- 7.c. Procurement

8. Consent Agenda

- 8.a. Ratify Approval of New Associate Members

Background Information: The following organizations have applied for associate membership and, pursuant to Ed Tech JPA's Associate Member Operating Procedures, were granted provisional approval:

- East Side Union High School District
- Imperial County Office of Education
- Murrieta Valley Unified School District
- Palo Alto Unified School District
- San Joaquin County Office of Education
- San Lorenzo Unified School District
- Tahoe Truckee Unified School District
- West Covina Unified School District

The Board must formally ratify the approval of their membership.

Recommendation: Ratify associate membership for the organizations listed.

Motion:

Unfinished and Old Business

None.

New Business (Action Items)

9. Approve Vendor Name Change.

Background Information: Ed Tech JPA awarded RFP No. 19/20-06 College and Career Planning Platform to Anaca Technologies Ltd dba Xello at the May 28, 2020 board meeting. On May 1, 2020 Articles of Amendment were filed changing the name of Anaca Technologies Ltd dba Xello to Xello Inc..

Recommendation: Approve amending the award and all resulting contracts from Anaca Technologies Ltd to Xello Inc..

Motion:

10. Approve 2020-21 Budget

Background information: Pursuant to discussion at the last regular board meeting, a budget will be brought to the Board for input, discussion, and adoption. The budget will provide a multi-year look at possible sales, revenues, and expenses, to assist the board in decision-making.

Recommendation: Approve the 2020-21 Budget.

Motion:

11. Approve Annual Evaluation Report.

Background Information: An annual evaluation report of the effectiveness of programs and services shall be presented, pursuant to the Education Technology Joint Powers Authority Bylaws section V.F.1.

Recommendation: Approve the Annual Evaluation Report for 2019-20 as presented.

Motion:

12. Approve Annual Plan.

Background Information: An annual plan which describes objectives and procedures to be implemented in assisting with the resolution of the needs of the JPA's membership and which identifies the programs and services which are suggested by the JPA for implementation during the following year and contains components of long-range planning determined by the JPA shall be presented, pursuant to the Education Technology Joint Powers Authority Bylaws Sections V.F.1. and V.F.14.

Recommendation: Approve the Annual Plan for 2020-21 as presented.

Motion:

13. Election of Officers.

Background Information: The board shall elect a President and Vice President, and appoint a Secretary pursuant to the Joint Powers Authority Agreement Ed Tech JPA Section 9.b.

President:

Vice President:

Secretary:

Recommendation: Elect and appoint officers to serve as President, Vice President and Secretary effective July 1, 2020.

Motion:

14. Approve the 2020-21 Legal Budget and Plan.

Background Information: Each year the general counsel for Ed Tech JPA shall prepare a Report summarizing the legal activities of general counsel for the previous year. The Report will also contain a budget and plan of activities for the following year for review and approval by the Board, pursuant to the Joint Powers Authority Agreement Ed Tech JPA section 12.d.

Recommendation: Approve the 2020-21 Legal Budget and Plan as presented.



New Business (Non Action Items)

15. Review and Discuss Bylaws.

16. Discuss potential Founding Members and determine next steps.

Closing Items

17. Personnel Items

18. Reports of the Executive Director and any special committees or advisory councils

19. Presentation of written communications

20. Scheduling of next regular meeting Thursday, July 30, 2020 at 1:00pm at: Meeting ID

meet.google.com/jsx-ddxh-ccs Phone Number (US)+1 413-779-5246 PIN: 663 417 374#

21. Adjournment.

Telecommuting members of the public who wish to address the Board during the Board Meeting must complete the provided form at https://docs.google.com/forms/d/1I12zovD0kE8DZmG3ElThhmnVAML0MWhSz_73BqMZEUs/edit prior to the start of the Board Meeting.



List of Attachments

Board Meeting June 25, 2020

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EDUCATION TECHNOLOGY JOINT POWERS AUTHORITY

Minutes

REGULAR MEETING OF THE GOVERNING BOARD

May 28, 2020 1:00 P.M.

Google Meet

1. CALL TO ORDER

Minutes:

Brianne Ford called the meeting to order at 1:03 PM.

2. PUBLIC COMMENT

None.

Anyone may address the Board on any item that is within the Board's subject matter jurisdiction. However, the Board may not take action on any item not on this agenda except as authorized by Government Code section 54954.2.

3. ROLL CALL

Present In Person:

N/A

Present by Telephone:

Brianne Ford with Irvine USD

David Seabury with El Dorado County Office of Education

Michael Johnston with Clovis Unified School District

John Morgan with Capistrano Unified School District

Mike McAdam with Fullerton School District

4. APPROVAL OF MINUTES

Motion Passed: Approve the Minutes from the May 8, 2020 Special Board Meeting.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford

Yes Michael Johnston

Yes David Seabury

Yes John Morgan

Yes Mike McAdam

5. APPROVAL OF AGENDA

Motion Passed: Adopt Agenda, as presented.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

6. ACCEPTANCE OF BOARD MEMBER REPORTS

Minutes: Board members shared purchase statuses of their districts/county offices of education and membership discussions.

7. ACCEPTANCE OF TREASURER REPORT

Minutes: The treasurer shared financial information.

8. ACCEPTANCE OF STANDING REPORTS

8.a. Membership

Minutes: Membership was discussed.

8.b. Communications

Minutes: A potential logo for JPA-approved vendors was discussed.

8.c. Procurement

Minutes: The current RFPs were discussed.

9. ACCEPTANCE OF CONSENT AGENDA

9.a. Ratify Approval of New Associate Members

Motion Passed: Ratify Approval of New Associate Members: Carlsbad Unified School District, and Savanna School District.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

10. UNFINISHED AND OLD BUSINESS

None.

11. NEW BUSINESS (ACTION ITEMS)

11.a. Approve Award of RFP No. 19/20-06 College and Career Planning Platform to MajorClarity, Inc..

Motion Passed: Award RFP No. 19/20-06 College and Career Planning Platform and authorize the President to execute and deliver a Master Agreement with MajorClarity, Inc. for Sections 1, 2, 3.1 - 3.8, and 4 contingent upon successful contract negotiations.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

11.b. Approve Award of RFP No. 19/20-06 College and Career Planning Platform to Naviance, Inc..

Motion Passed: Award RFP No. 19/20-06 College and Career Planning Platform and authorize the President to execute and deliver a Master Agreement with Naviance, Inc. for Sections 1, 2, 3.1 - 3.8, and 4 contingent upon successful contract negotiations.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

11.c. Approve Award of RFP No. 19/20-06 College and Career Planning Platform to SchoolLinks, Inc.

Motion Passed: Award RFP No. 19/20-06 College and Career Planning Platform and authorize the President to execute and deliver a Master Agreement with SchoolLinks, Inc for Sections 1, 2, 3.1 - 3.8, and 4 contingent upon successful contract negotiations.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

11.d. Approve Award of RFP No. 19/20-06 College and Career Planning Platform to XAP Corporation.

Motion Passed: Award RFP No. 19/20-06 College and Career Planning Platform and authorize the President to execute and deliver a Master Agreement with XAP Corporation for Sections 1, 2, 3.1 - 3.8, and 4 contingent upon successful contract negotiations.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

11.e. Approve Award of RFP No. 19/20-06 College and Career Planning Platform to Anaca Technologies Ltd dba Xello.

Motion Passed: Award RFP No. 19/20-06 College and Career Planning Platform and authorize the President to execute and deliver a Master Agreement with Anaca Technologies Ltd dba Xello for Sections 1, 2, 3.1 - 3.7, and 4 contingent upon successful contract negotiations.

Passed with a motion by John Morgan and a second by David Seabury.

Yes Brianne Ford
Yes Michael Johnston
Yes David Seabury
Yes John Morgan
Yes Mike McAdam

11.f. PUBLIC HEARING AND CONSIDER ALL COMMENTS REGARDING THE ED TECH JPA 2020-21 BUDGET

Minutes: The public hearing for the 2020-21 Adopted Budget was officially opened in accordance with California Education Code requirements. The 2020-21 budget will be brought before the board for consideration at the next regularly scheduled Board meeting.

12. NEW BUSINESS (NON ACTION ITEMS)

12.a. Discuss potential Founding Members and determine next steps.
Minutes: Potential Founding Members were discussed.

12.b. Discuss Annual Evaluation Plan to Identify Programs and Services pursuant to Bylaws sections V.F.1. And V.F.14.
Minutes: The format and content of the Annual Plan was discussed.

13. PERSONNEL ITEMS

Minutes: None.

14. REPORT OF EXECUTIVE DIRECTOR AND SPECIAL COMMITTEES OF ADVISORY COUNCIL

Minutes: None.

15. PRESENTATION OF WRITTEN COMMUNICATIONS

Minutes: None.

16. SCHEDULING OF NEXT MEETING

The next Regular Meeting shall be held on June 25, 2020 at 1:00pm at meet.google.com/njx-znfd-khy Phone Number (US)+1 419-901-8488 PIN: 865 085 361# ,as approved on the Regular Board Meeting Schedule as board approved on April 30, 2020, but may be changed at the discretion of the board.

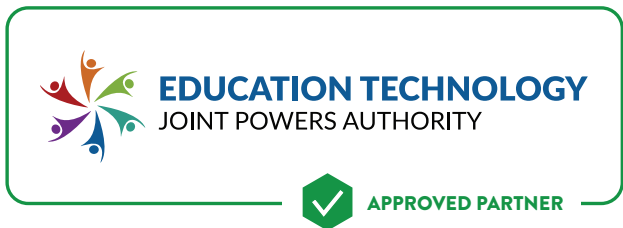
17. ADJOURNMENT

Motion Passed: Adjourn the meeting at 2:14 pm.

Passed with a motion by John Morgan and a second by David Seabury.

Yes	Brianne Ford
Yes	Michael Johnston
Yes	David Seabury
Yes	John Morgan
Yes	Mike McAdam

JPA APPROVED PARTNER LOGO
ROUND 2



 Ministry of Government
and Consumer Services
Ontario

**Ministère des Services
gouvernementaux et des
Services aux consommateurs**

Ontario
CERTIFICATE
This is to certify that these
articles are effective on

CERTIFICAT
Ceci certifie que les présents
statuts entrent en vigueur le

1229508

MAY 01 MAI, 2020

Barbara Rickett

17

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMENDMENT STATUTS DE MODIFICATION

Form 3
*Business
Corporations
Act*

Formule 3
*Loi sur les
sociétés par
actions*

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

[illegible]

2. The name of the corporation is changed to (if applicable) : (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

[illegible]

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

1997/03/27

(Year, Month, Day)
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
 Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number	minimum and maximum
Nombre	minimum et maximum

11

or
ou

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5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See Pages 1A to 1V attached.

SCHEDULE TO
ARTICLES OF AMENDMENT
OF
ANACA TECHNOLOGIES LTD.
(the “Corporation”)

The Articles of the Corporation be amended as follows:

A. Authorized and Issued Capital

- (a) to change the maximum number of Common Shares in the capital of the Corporation that the Corporation is authorized to issue from an unlimited number of Common Shares, issuable in series, of which an unlimited number are designated as Voting Common Shares and an unlimited number are designated as Non-Voting Common Shares to 12,641,975 Common Shares, issuable in series, of which 12,191,975 are designated as Voting Common Shares and 450,000 are designated as Non-Voting Common Shares
- (b) to create 836,212 Class A Preferred Shares;
- (c) to delete the rights, privileges, restrictions and conditions attaching to the Common Shares, issuable in series; and
- (d) to provide that the rights, privileges, restrictions and conditions attaching to the Common Shares, issuable in series, and the Class A Preferred Shares are as set out in the attached Schedule I;

with the result that upon the issuance of a Certificate of Amendment effecting the foregoing, the authorized capital of the Corporation shall consist of: (i) 12,641,975 Common Shares, issuable in series, of which (A) 12,191,975 are designated as Voting Common Shares; and (B) 450,000 are designated as Non-Voting Common Shares; and (ii) 836,212 Class A Preferred Shares.

B. Other Amendments

- (a) to change the name of the Corporation to Xello Inc.

SCHEDULE I

ARTICLES OF AMENDMENT

ANACA TECHNOLOGIES LTD.

Upon the issuance of the Certificate of Amendment effecting the amendments set forth above, the total number of shares of all classes of shares that Anaca Technologies Ltd. (the “**Corporation**”) shall have authority to issue is (i) 12,641,975 Common Shares issuable in series, of which 12,191,975 are designated as Voting Common Shares (the “**Voting Common Shares**”) and 450,000 are designated as Non-Voting Common Shares (the “**Non-Voting Common Shares**” and together with the Voting Common Shares, the “**Common Shares**”); and (ii) 836,212 Class A Preferred Shares (the “**Class A Preferred Shares**”, and together with any other preferred shares authorized in the capital of the Corporation, the “**Preferred Shares**” and the Preferred Shares together with the Common Shares, the “**Shares**”).

The following is a statement of the rights, privileges, restrictions and conditions of each class and series of shares in the capital of the Corporation.

A. COMMON SHARES

1. General. The voting, dividend and liquidation rights of the holders of the Common Shares are subject to and qualified by the rights, privileges, restrictions and conditions of any class of shares in the capital of the Corporation designated to be senior to the Common Shares, including the Preferred Shares.

2. One or More Series. The Common Shares may be issued at any time or from time to time in one or more series. The first series of Common Shares shall consist of the number set out above and shall be designated the “**Voting Common Shares**”. The second series of Common Shares shall consist of the number set out above and shall be designated the “**Non-Voting Common Shares**”.

3. Ranking. The Common Shares of each series shall rank (a) *pari passu* with the Common Shares of every other series and (b) junior to the Preferred Shares with respect to dividends and return of capital in the event of the liquidation, dissolution or winding-up of the Corporation.

4. Voting.

4.1 Each holder of Voting Common Shares is entitled to:

4.1.1 one vote for each Voting Common Share held at all meetings of shareholders;

4.1.2 receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares (other than the Voting Common Shares) are entitled to attend; and

4.1.3 vote on all matters submitted to a vote or consent of shareholders of the Corporation, except matters upon which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares (other than the Voting Common Shares) are entitled to vote.

4.2 Except as otherwise provided in the *Business Corporations Act* (Ontario), the holders of Non-Voting Common Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Corporation.

4.3 The holders of Common Shares, and the holders of each series of Common Shares, shall not be entitled to vote separately as a class or series upon, and agree (to the extent permitted by law) that they are not entitled to dissent in respect of, any proposal to amend the Articles of the Corporation to:

4.3.1 increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;

4.3.2 create a new class or series of shares equal or superior to the Common Shares; or

4.3.3 effect an exchange, reclassification or cancellation of all or part of the Common Shares.

4.4 Without limiting Section 4.3, the holders of Non-Voting Common Shares shall not be entitled to vote separately as a series upon, and are not entitled to dissent in respect of (to the extent permitted by law), any proposal to amend the articles of the Corporation to effect an exchange, reclassification or cancellation of the Non-Voting Common Shares.

5. Dividends. Subject to the rights of the holders of the Preferred Shares pursuant to Section B.2, the holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares in the capital of the Corporation (including those dividend rights of the Preferred Shares), to receive dividends if, as and when declared by the Board of Directors of the Corporation (the “**Board**”) on the Common Shares.

6. Liquidation, Dissolution or Winding-up. The holders of the Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares in the capital of the Corporation (including the rights of the Preferred Shares to receive a preference), to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs (“**Liquidation Event**”) or on a Deemed Liquidation Event (as defined below).

B. PREFERRED SHARES

Unless otherwise indicated, references to “Sections” in this Part B of this Schedule refer to the Sections of Part B of this Schedule.

1. Ranking. The Preferred Shares shall rank senior to the Common Shares with respect to dividends and return of capital in the event of a Liquidation Event or a Deemed Liquidation Event.

2. Dividends.

2.1 The Corporation shall not declare, pay or set aside any dividends on the Common Shares or any class or series of shares in the capital of the Corporation that is convertible into Common Shares (other than dividends on Common Shares payable in Common Shares in respect of which any adjustment to the Conversion Price (as defined below) of the applicable class or series of Preferred Shares required pursuant to Section 5.6 or 5.7 is made) unless (in addition to the obtaining of any consents required elsewhere in the Articles of the Corporation) the holders of the Preferred Shares then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding Preferred Share in an amount at least equal to the greater of (i) in the case of a dividend on Common Shares or any class or series that is convertible into Common Shares, that dividend per Preferred Share as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Shares and (B) the number of Common Shares issuable upon conversion of a Preferred Share, in each case, as calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Shares, at a rate per Preferred Share determined by (A) dividing the amount of the dividend payable on each share of such class or series of shares in the capital of the Corporation by the original issuance price of such class or series of shares (subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Original Issue Price of the applicable class or series of Preferred Shares; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of shares in the capital of the Corporation, such additional dividend payable to the holders of Preferred Shares pursuant to this Section 2.1 shall be calculated based upon the dividend on the class or series of shares in the capital of the Corporation that would result in the highest dividend per Preferred Share. The “**Original Issue Price**” shall mean with respect to the Class A Preferred Shares, C\$4.7834741, subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to the Class A Preferred Shares.

3. Liquidation, Dissolution or Winding Up; Certain Amalgamations, Arrangements, Mergers and Asset Sales.

3.1 Preferential Payments to Holders of Preferred Shares. In the event of any Liquidation Event or Deemed Liquidation Event, the holders of Class A Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders before any payment shall be made to the holders of Common Shares and any other Shares ranking junior to the Class A Preferred Shares by reason of their ownership thereof, an amount per Class A Preferred Share equal to the greater of (i) the Original Issue Price of such Class A Preferred Share, plus (A) any dividends declared but unpaid thereon and (B) a rate of return equal to 8% per annum of the Original Issue Price of such Class A Preferred Share, compounded annually and accruing daily (collectively, the “**Class A Preferred Return Amount**”) or (ii) (A) subject to Section 3.3, the Original Issue Price of such Class A Preferred Share, plus any dividends declared but unpaid thereon, plus (B) the amounts to which a holder of Class A

Preferred Shares would be entitled under Section 3.2(ii) (collectively, the “**Class A Participating Preferred Amount**”). If upon any such Liquidation Event or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of Class A Preferred Shares the full amount of the Class A Preferred Return Amount under this Section 3.1, the holders of Class A Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts that would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares on account of the Class A Preferred Return Amount were paid in full. For greater certainty, a holder of Class A Preferred Shares shall be entitled to either the Class A Preferred Return Amount or the Class A Participating Preferred Amount under this Section 3.1, but not both.

3.2 Distribution of Remaining Assets. Subject to Sections 3.1 and 3.3, (i) in the event of any Liquidation Event or Deemed Liquidation Event which results in the payment of the Class A Preferred Return Amount with respect to all outstanding Class A Preferred Shares pursuant to Section 3.1, the remaining assets of the Corporation available for distribution to its shareholders shall be distributed ratably among the holders of Common Shares and (ii) in the event of any Liquidation Event or Deemed Liquidation Event that results in the payment of the Class A Participating Preferred Amount, and after the payment of all amounts required to be paid to the holders of Class A Preferred Shares pursuant to Section 3.1(ii)(A), the remaining assets of the Corporation available for distribution to its shareholders shall be distributed among the holders of Class A Preferred Shares and Common Shares, *pro rata* based on the number of Common Shares held by each such holder, treating for this purpose all Class A Preferred Shares as if they had been converted to Common Shares under the Articles immediately before such Liquidation Event or Deemed Liquidation Event.

3.3 Limitations on Participation: Participating Preferred Amount.

3.3.1 Notwithstanding Sections 3.1 and 3.2, if the Class A Participating Preferred Amount for a Class A Preferred Share equals or exceeds 2.25 times the Original Issue Price of a Class A Preferred Share (the “**Class A Participation Threshold**”) but is less than the Class A Participation Cap (as defined in Section 3.3.2), then the Original Issue Price of a Class A Preferred Share payable in accordance with Section 3.1(ii)(A), as part of the Class A Participating Preferred Amount payable for each Class A Preferred Shares, shall be reduced on the following basis:

$$OIP_2 = (OIP_1 * ((1 - (TPR - PT)) / (PC - PT)))$$

whereas (i) “**OIP₂**” shall mean the Original Issue Price of a Class A Preferred Share, as adjusted pursuant to this Section 3.3; (ii) “**OIP₁**” shall mean the Original Issue Price of a Class A Preferred Share; (iii) “**TPR**” shall mean the total consideration received by a holder of a Class A Preferred Share at a Liquidation Event or Deemed Liquidation Event; (iv) “**PC**” shall mean the Class A Participation Cap; (v) “**PT**” shall mean the Class A Participation Threshold. For illustrative purposes, a sample calculation of the above formula has been included as an exhibit to the Voting Agreement between the Corporation and its shareholders, which formula is to be applied on an iterative basis.

3.3.2 For greater certainty, if the Class A Participating Preferred Amount equals or exceeds 2.75 times the Original Issue Price of a Class A Preferred Shares (the “**Class A Participation Cap**”), then such holder of Class A Preferred Shares shall be entitled to receive upon such Liquidation Event or Deemed Liquidation Event, with respect to each Class A Preferred Share held, an amount equal to the total Class A Participating Preferred Amount, less the Original Issue Price of a Class A Preferred Share.

3.4 Deemed Liquidation Events.

3.4.1 Definition. Each of the following events shall be considered a “**Deemed Liquidation Event**” unless the holders of a majority of the votes attached to the Preferred Shares then outstanding (voting together as a single class on an as converted basis) (the “**Preferred Majority**”) elect otherwise by written notice sent to the Corporation at least 10 days prior to the effective date of any such event:

(a) an amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, reorganization or similar transaction in which:

- (i) the Corporation is a constituent party; or
- (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares in its capital pursuant to such amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, reorganization or similar transaction,

except any such amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, reorganization or similar transaction involving the Corporation or a subsidiary in which the shares in the capital of the Corporation outstanding immediately prior to such amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, reorganization or similar transaction continue to represent, or are converted into or exchanged for shares that represent, immediately following such amalgamation, arrangement, merger, consolidation, recapitalization, reclassification, reorganization or similar transaction, at least a majority, by voting power, of the shares in the capital of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such amalgamation, arrangement, merger, reorganization or similar transaction, the parent corporation of such surviving or resulting corporation;

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all of the assets and/or intellectual property of the Corporation and its subsidiaries, taken as a whole, or the sale or disposition (whether by amalgamation, arrangement, consolidation, merger, reorganization, recapitalization or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets and/or intellectual property of the Corporation and its subsidiaries, taken as a whole, are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(c) the completion of a sale transaction to which the Corporation is a party between the shareholders of the Corporation and a person that results in those who were holders of the voting securities in the capital of the Corporation before the sale transaction holding less than a majority of the votes attaching to the outstanding voting securities in the capital of the Corporation after the completion of the sale transaction.

3.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 3.4.1 unless the agreement or plan of arrangement or similar definitive document for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the shareholders of the Corporation shall be allocated among the holders of shares in the capital of the Corporation in accordance with Sections 3.1, 3.2 and 3.3.

(b) In the event of a Deemed Liquidation Event referred to in Section 3.4.1(a)(ii), 3.4.1(b) or 3.4.1(c), if the Corporation does not effect a dissolution of the Corporation within 90 days after the Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Shares no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) under the following clause; (ii) to require the redemption of such Preferred Shares, and (iii) if the Preferred Majority so requests in a written instrument delivered to the Corporation not later than 120 days after the Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for the Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board), together with any other assets of the Corporation available for distribution to its shareholders, all to the extent permitted by law (the “**Available Proceeds**”), on the 150th day after the Deemed Liquidation Event, to redeem all outstanding Preferred Shares at a price per share equal to, subject to Section 3, the greater of the Class A Preferred Return Amount or the Class A Participating Preferred Amount. Notwithstanding the foregoing, in the event of such a redemption, if the Available Proceeds are not sufficient to redeem all outstanding Preferred Shares, the Corporation shall ratably redeem each holder’s Preferred Shares to the fullest extent of the Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so.

3.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of shares in the capital of the Corporation upon any such amalgamation, arrangement, consolidation, merger, reorganization, sale, transfer, recapitalization, reclassification, exclusive license or other disposition referred to in this Section 3.4 shall be the cash or the fair market value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The fair market value of such property, rights or securities shall be determined in good faith by the Board.

3.4.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Section 3.4.1, if any portion of the consideration payable to the shareholders of the Corporation is payable only upon satisfaction of contingencies (the “**Additional Consideration**”), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the “**Initial**

Consideration”) shall be allocated among the holders of shares in the capital of the Corporation in accordance with Sections 3.1, 3.2, and 3.3 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any Additional Consideration that becomes payable to the shareholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of shares in the capital of the Corporation in accordance with Sections 3.1, 3.2, and 3.3 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 3.4.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

4. Voting.

4.1 General. On any matter presented to the shareholders of the Corporation for their action or consideration at any meeting of shareholders of the Corporation (or by written consent of the shareholders in lieu of a meeting), each holder of outstanding Preferred Shares shall be entitled to cast the number of votes equal to the number of whole Voting Common Shares into which the Preferred Shares held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter. Except as provided in any unanimous shareholder agreement with respect to the Corporation then in force, Section 4.2, 4.3, or by applicable law, holders of Preferred Shares shall vote, together with the holders of Voting Common Shares, as a single class. Without limiting any unanimous shareholder agreement with respect to the Corporation then in force or Section 4.2 or 4.3 the holders of each class or series of Preferred Shares shall not be entitled to vote separately as a class or series upon, and shall waive dissent rights in respect of (to the extent permitted by law), any proposal to amend the Articles of the Corporation to: (i) increase or decrease any maximum number of authorized Preferred Shares of such class or series, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to such class or series of Preferred Shares; (ii) create a new class or series of shares equal or superior to such class or series of Preferred Shares; or (iii) exchange, reclassify or cancel all or part of such class or series of Preferred Shares.

4.2 Election of Directors. For as long as any Preferred Shares remain outstanding, the Preferred Majority shall be entitled to elect one director of the Corporation (the “**Preferred Director**”). At any meeting held for the purpose of electing the Preferred Director, the presence in person or by proxy of the Preferred Majority shall constitute a quorum for the purpose of electing such Preferred Director. The holders of record of the Voting Common Shares and of every other class or series of voting shares (including the Preferred Shares), voting together as a single class on an as-converted basis, shall be entitled to elect the remaining number of directors of the Corporation (the “**Remaining Directors**”). A Preferred Director or Remaining Director elected as provided in this Section 4.2 may be removed by, and only by, the affirmative vote by the number of shareholders entitled to elect such director, given either at a special meeting of such shareholders duly called for that purpose or by written resolution in lieu of a meeting duly provided in accordance with the *Business Corporations Act* (Ontario). If the position of a Preferred Director or Remaining Director is or becomes vacant at any time, such position shall remain vacant until such time as the holders of a sufficient number of shares entitled to elect such person shall fill such directorship by vote at a meeting duly called for such purpose, or by written resolution in lieu of a meeting duly provided in accordance with the *Business Corporations Act* (Ontario), and the Corporation will, upon request of any such holder(s), call a meeting of the applicable class(es) of

holders of Shares for the purpose of filling the vacancy within 10 days of receiving such request. For greater certainty, the entirety of this Section 4.2 shall be subject to any unanimous shareholder agreement with respect to the Corporation then in force.

4.3 Preferred Share Protective Provisions. For as long as any Preferred Shares remain outstanding, neither the Corporation nor its subsidiaries shall, either directly or indirectly, by amendment, amalgamation, arrangement, merger or otherwise, do any of the following without (in addition to any other vote required by applicable law or the Articles of the Corporation) the written consent or affirmative vote of the Preferred Majority, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a single class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

4.3.1 effect any transaction that constitutes a Liquidation Event or a Deemed Liquidation Event (other than a Liquidation Event or a Deemed Liquidation Event that results in proceeds to holders of Class A Preferred Shares (as adjusted for any stock split, stock dividends, combination, or other similar recapitalization with respect to such Class A Preferred Shares) of at least 2.25 times the Original Issue Price of a Class A Preferred Share held by such holder, in cash and delivered to the holder thereof on the completion of such Liquidation Event or Deemed Liquidation Event);

4.3.2 amend, alter or repeal any provision of the Corporation's Articles or by-laws of the Corporation (the "**By-Laws**") in a manner that adversely affects holders of the Class A Preferred Shares;

4.3.3 any proposal to amend the Corporation's Articles to exchange, reclassify or cancel all or part of the Class A Preferred Shares;

4.3.4 create, or authorize the creation of, or issue or obligate itself to issue any other shares or equity security, or security convertible into or exercisable for any shares of equity security of the Corporation having rights, privileges, preferences, powers, restrictions and conditions senior to or *pari passu* to the Class A Preferred Shares, including with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption (or re-characterize, reclassify, alter or amend any existing security to have such rights, privileges, restrictions, preferences, powers, and conditions including with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption);

4.3.5 increase or decrease the authorized number of Preferred Shares or increase or decrease the authorized number of any other class or series of shares in the capital of the Corporation;

4.3.6 (i) reclassify, alter or amend any existing security in the capital of the Corporation that is of equal rank with the Class A Preferred Shares in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if the reclassification, alteration or amendment would render such other security senior to the Class A Preferred Shares in respect of any such right, preference, or privilege or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Class A Preferred Shares in respect of the distribution of assets on the liquidation, dissolution

or winding up of the Corporation, the payment of dividends or rights of redemption, if the reclassification, alteration or amendment would render such other security senior to or of equal rank with the Class A Preferred Shares in respect of any such right, preference or privilege;

4.3.7 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares in the capital of the Corporation other than (i) redemptions of or dividends or distributions on the Class A Preferred Shares as expressly authorized in the Articles; (ii) dividends or other distributions on the Common Shares payable solely in the form of additional Common Shares in respect of which any adjustment to the Conversion Price of the applicable class or series of Preferred Shares required pursuant to Section 5.6 or 5.7 is made; and (iii) repurchases of shares from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof, or upon exercise of contractual rights of first refusal over such shares; or (iv) as approved by the Board, including the Preferred Director;

4.3.8 create, or authorize the creation of, or issue, or authorize the issuance of any debt, or permit any subsidiary to take any such action with respect to any debt, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action exceeds C\$5,000,000, other than (i) accounts payable generated through the ordinary course of business; (ii) any intercompany indebtedness among the Corporation and/or any wholly-owned subsidiaries of the Corporation; (iii) loans that are based on and secured by the Corporation's claim for Scientific Research and Experimental Development tax credits; and (iv) any indebtedness that has received the prior approval of the Board, including the approval of the Preferred Director;

4.3.9 create, or hold share capital in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any share capital of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

4.3.10 increase or decrease the size of the Board;

4.3.11 sell any Common Shares to the public pursuant to an effective registration statement under the Securities Act of 1933, as amended, or a qualified prospectus filed with Canadian securities regulatory authorities, other than in connection with a Qualified IPO; or

4.3.12 commit or agree to do any of the foregoing or permit any subsidiary of the Corporation to commit or agree to do any of the foregoing.

5. Optional Conversion.

The holders of the Preferred Shares shall have conversion rights as follows (the “**Conversion Rights**”):

5.1 Right to Convert.

5.1.1 Conversion Ratio. Each Preferred Share shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable Voting Common Shares as is determined by dividing the Original Issue Price of the applicable class or series of Preferred Shares by the Conversion Price (as defined below) of such class or series of Preferred Shares in effect at the time of conversion. The “**Conversion Price**” of a class or series of Preferred Shares shall initially be equal to the Original Issue Price of such class or series of Preferred Shares. Such initial Conversion Price of a class or series of Preferred Shares, and the rate at which such class or series of Preferred Shares may be converted into Voting Common Shares, shall be subject to adjustment as provided below.

5.1.2 Termination of Conversion Rights. In the event of a Liquidation Event or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Shares.

5.2 Fractional Shares. No fractional Voting Common Shares shall be issued upon conversion of the Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a Voting Common Share as determined in good faith by the Board. Alternatively, at the option of the Corporation, the number of Voting Common Shares issued on conversion shall be rounded up to the nearest whole number. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of Preferred Shares the holder is holding at the time converting into Voting Common Shares and the aggregate number of Voting Common Shares issuable upon such conversion.

5.3 Mechanics of Conversion.

5.3.1 Notice of Conversion. In order for a holder of Preferred Shares to voluntarily convert Preferred Shares into Voting Common Shares, such holder shall surrender the certificate or certificates for such Preferred Shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Shares (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the Preferred Shares represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder’s name or the names of the nominees in which such holder wishes the certificate or certificates for Voting Common Shares to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the “**Conversion Time**”), and the Voting Common Shares issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record

as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Preferred Shares, or to his, her or its nominees, a certificate or certificates for the number of full Voting Common Shares issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the Preferred Shares represented by the surrendered certificate that were not converted into Voting Common Shares, (ii) pay in cash such amount as provided in Section 5.2 in lieu of any fraction of a Voting Common Share that is otherwise issuable upon such conversion (if applicable), and (iii) pay all declared but unpaid dividends on the Preferred Shares converted.

5.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Shares shall be outstanding, reserve and keep available out of its authorized but unissued capital, for the purpose of effecting the conversion of the Preferred Shares, such number of its duly authorized Voting Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares; and if at any time the number of authorized but unissued Voting Common Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued Voting Common Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Articles of the Corporation.

5.3.3 Effect of Conversion. All Preferred Shares that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive Voting Common Shares in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 5.2 (if applicable) and to receive payment of any dividends declared but unpaid thereon. Any Preferred Shares so converted shall be retired and cancelled and may not be reissued, and the Corporation may thereafter take such appropriate action as may be necessary to reduce the authorized number of Preferred Shares accordingly.

5.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price of a class or series of Preferred Shares shall be made for any declared but unpaid dividends on such Preferred Shares surrendered for conversion or on the Voting Common Shares delivered upon conversion.

5.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Voting Common Shares upon conversion of any Preferred Shares pursuant to this Article 5. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Voting Common Shares in a name other than that in which the Preferred Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

5.4 Adjustments to Conversion Price for Diluting Issues.

5.4.1 Special Definitions. For purposes of this Part B, the following definitions shall apply:

(a) **“Additional Common Shares”** shall mean all Common Shares issued (or, pursuant to Section 5.4.3, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following Common Shares and (2) Common Shares deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, **“Exempted Securities”**):

- (i) Common Shares, Options or Convertible Securities issued upon conversion of, or as a dividend or distribution on Preferred Shares;
- (ii) Common Shares, Options or Convertible Securities issued by reason of a dividend, share split or other distribution on Common Shares that is covered by Section 5.5, 5.6, 5.7 and 5.8, provided such issuance has been approved by the Board, including the approval of the Preferred Director;
- (iii) Common Shares or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board (including the approval of the Preferred Director);
- (iv) Common Shares or Convertible Securities actually issued upon the exercise of Options or Common Shares actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security (including Common Shares or Convertible Securities issued upon the conversion of the Preferred Shares);
- (v) Common Shares, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board (including the approval of the Preferred Director);

- (vi) Common Shares, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions, provided that such transactions are not primarily for equity financing purposes and the terms of such transactions are approved by the Board (including the approval of the Preferred Director);
- (vii) Common Shares, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Corporation by amalgamation, arrangement, purchase of all or substantially all of the assets or shares or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board (including the approval of the Preferred Director);
- (viii) Common Shares, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board (including the approval of the Preferred Director); or
- (ix) Common Shares, Options, or Convertible Securities issued in connection with any settlement approved by the Board (including the Preferred Director).

(b) **“Convertible Securities”** shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Shares, but excluding Options.

(c) **“Option”** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities.

(d) **“Original Issue Date”** shall mean the date on which the first Preferred Share was issued.

5.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price of a class or series of Preferred Shares shall be made as the result of the issuance or deemed issuance of Additional Common Shares if the Corporation receives written notice from the holders of at least a majority of the then outstanding Preferred Shares agreeing that no such

adjustment shall be made as the result of the issuance or deemed issuance of such Additional Common Shares.

5.4.3 Deemed Issue of Additional Common Shares.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities that are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Common Shares (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Common Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price of a class or series of Preferred Shares pursuant to the terms of Section 5.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of Common Shares issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price of such class or series of Preferred Shares computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Section 5.4.3(b) shall have the effect of increasing the Conversion Price of a class or series of Preferred Shares to an amount that exceeds the lower of (i) the Conversion Price of such class or series of Preferred Shares in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price of such class or series of Preferred Shares that would have resulted from any issuances of Additional Common Shares (other than deemed issuances of Additional Common Shares as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities that are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price of a class or series of Preferred Shares pursuant to the terms of Section 5.4.4 (either because the consideration per share (determined pursuant to Section 5.4.5) of the Additional Common Shares subject thereto was equal to or greater than the Conversion Price of such class or series of Preferred Shares then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding

automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of Common Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Common Shares subject thereto (determined in the manner provided in Section 5.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) that resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price of a class or series of Preferred Shares pursuant to the terms of Section 5.4.4, the Conversion Price of such class or series of Preferred shares shall be readjusted to the Conversion Price of such class or series of Preferred Shares as would have been obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of Common Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price of a class or series of Preferred Shares provided for in this Section 5.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in Sections 5.4.3(b) and (c)). If the number of Common Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price of a class or series of Preferred Shares that would result under the terms of this Section 5.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price of such class or series of Preferred Shares that such issuance or amendment took place at the time such calculation can first be made.

5.4.4 Adjustment of Conversion Price Upon Issuance of Additional Common Shares. In the event the Corporation shall at any time after the Original Issue Date issue Additional Common Shares (including Additional Common Shares deemed to be issued pursuant to Section 5.4.3), without consideration or for a consideration per share less than the Conversion Price of a class or series of Preferred Shares in effect immediately prior to such issue, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-tenth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) “CP₂” shall mean the Conversion Price of such class or series of Preferred Shares in effect immediately after such issue of Additional Common Shares

(b) “CP₁” shall mean the Conversion Price of such class or series of Preferred Shares in effect immediately prior to such issue of Additional Common Shares;

(c) “A” shall mean the number of Common Shares outstanding immediately prior to such issue or deemed issue of Additional Common Shares (treating for this purpose as outstanding all Common Shares issuable upon exercise of Options outstanding immediately prior to such issue or deemed issue or upon conversion or exchange of Convertible Securities (including the Preferred Shares) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) “B” shall mean the number of Common Shares that would have been issued if such Additional Common Shares had been issued at a price per share equal to CP₁ (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP₁); and

(e) “C” shall mean the number of such Additional Common Shares issued in such transaction.

5.4.5 Determination of Consideration. For purposes of this Section 5.4, the consideration received by the Corporation for the issue of any Additional Common Shares shall be computed as follows:

(a) Cash and Property: Such consideration shall:

- (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and
- (iii) in the event Additional Common Shares are issued together with other shares or securities or other assets of the Corporation for consideration that covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Common Shares deemed to

have been issued pursuant to Section 5.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

- (i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by
- (ii) the maximum number of Common Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

5.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Common Shares that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price of a class or series of Preferred Shares pursuant to the terms of Section 5.4.4 then, upon the final such issuance, such Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

5.5 Adjustment for Share Splits and Share Consolidations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Shares, the Conversion Price of a class or series of Preferred Shares in effect immediately before that subdivision shall be proportionately decreased so that the number of Common Shares issuable on conversion of each such Preferred Share shall be increased in proportion to such increase in the aggregate number of Common Shares outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding Common Shares, the Conversion Price of a class or series of Preferred Shares in effect immediately before the combination shall be proportionately increased so that the number of

Common Shares issuable on conversion of each such Preferred Share shall be decreased in proportion to such decrease in the aggregate number of Common Shares outstanding. Any adjustment under this Section 5.5 shall become effective at the close of business on the date the subdivision or combination becomes effective.

5.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable on the Common Shares in additional Common Shares, then, and in each such event, the Conversion Price of a class or series of Preferred Shares in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price of such class or series of Preferred Shares then in effect by a fraction:

(1) the numerator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Shares issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price of a class or series of Preferred Shares shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price of such class or series of Preferred Shares shall be adjusted pursuant to this Section 5.6 as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made if the holders of a class or series of Preferred Shares simultaneously receive a dividend or other distribution of Common Shares in a number equal to the number of Common Shares as they would have received if all outstanding such Preferred Shares had been converted into Common Shares immediately prior to such event.

5.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of Common Shares in respect of outstanding Common Shares) or in other property and the provisions of Sections 2 and 5.6 do not apply to such dividend or distribution, then and in each such event the holders of a class or series of Preferred Shares shall receive, simultaneously with the distribution to the holders of Common Shares, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding such Preferred Shares had been converted into Voting Common Shares immediately prior to such event.

5.8 Adjustment for Amalgamation, Arrangement, Merger or Reorganization, etc. Subject to the provisions of Section 3.4, if there shall occur any amalgamation, arrangement, consolidation, merger, recapitalization, reclassification or

reorganization involving the Corporation in which the Voting Common Shares (but not the Preferred Shares) are converted into or exchanged for securities, cash or other property (other than a transaction covered by Sections 5.4, 5.6 or 5.7), then, following any such amalgamation, arrangement, consolidation, merger, recapitalization, reclassification or reorganization, each Preferred Share of a class or series shall thereafter be convertible in lieu of the Voting Common Shares into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of Voting Common Shares issuable upon conversion of one such Preferred Share immediately prior to such amalgamation, arrangement, consolidation, merger, recapitalization, reclassification or reorganization would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this Section 5.8 with respect to the rights and interests thereafter of the holders of such Preferred Shares, to the end that the provisions set forth in this Section 5.8 (including provisions with respect to changes in and other adjustments of the Conversion Price of such applicable class or series of Preferred Shares) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Shares.

5.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price of a class or series of Preferred Shares pursuant to this Section 5.9, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such Preferred Shares a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which such Preferred Shares are convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Shares (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price of such Preferred Shares then in effect, and (ii) the number of Voting Common Shares and the amount, if any, of other securities, cash or property that then would be received upon the conversion of such Preferred Shares.

5.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Shares (or other shares or securities at the time issuable upon conversion of the Preferred Shares) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares in the capital of the Corporation of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Shares; or

(c) of any Liquidation Event or Deemed Liquidation Event,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Shares a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, Liquidation Event or Deemed

Liquidation Event is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Shares (or such other shares in the capital of the Corporation or securities at the time issuable upon the conversion of the Preferred Shares) shall be entitled to exchange their Common Shares (or such other shares in the capital of the Corporation or securities) for securities or other property deliverable upon such reorganization, reclassification, Liquidation Event or Deemed Liquidation Event, and the amount per share and character of such exchange applicable to the Preferred Shares and the Common Shares. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

5.11 Additional Adjustments. The initial Conversion Price for the Class A Preferred Shares was established based on the Corporation's representations, warranties and covenants (the "**Representations and Warranties**") set forth in that certain Subscription Agreement (the "**Subscription Agreement**") dated May 1, 2020 (the "**Class A Original Issuance Date**"), by and between, the Corporation and the Investors (as defined therein). If either (a) the Board and the holders of a majority of the votes attached to the Class A Preferred Shares then outstanding (the "**Class A Preferred Majority**"), in each case acting reasonably, agree or (b) a final, non-appealable judgment of a court of competent jurisdiction confirms, in the case of each of the foregoing clauses (a) and (b), that such Representations and Warranties were inaccurate, breached or unfulfilled (either, an "**Adjustment Event**"), then the Conversion Price for the Class A Preferred Shares then in effect shall be adjusted by an amount such that the Voting Common Shares issuable upon the conversion of all of the Class A Preferred Shares eligible to be sold under the Subscription Agreement would be equal to the number of Class A Preferred Shares that would have been issued under the Subscription Agreement, had the total amount of Losses (as defined in the Subscription Agreement), applicable to such Adjustment Event been treated as a downward adjustment to (i) the C\$50,000,000 pre-money valuation of the Corporation and (ii) as a result of the adjustment in the foregoing clause (i) the Original Issue Price of the Class A Preferred Shares. For greater certainty, the Original Issue Price will not change as a result of this Section 5.11. Any adjustment of the Conversion Price of the Class A Preferred Shares pursuant to this Section 5.11 shall be in addition to any other adjustments which may be required pursuant to this Section 5 and shall be subject to the limitations contemplated by Section 7.2 of the Subscription Agreement. After making the foregoing adjustment, the Conversion Price of the Class A Preferred Shares shall be further adjusted in accordance with Section 5.4 to give effect to any and all adjustments to such Conversion Price made after the Class A Original Issuance Date (as if the initial such Conversion Price on the Class A Original Issuance Date was equal to the Conversion Price, as adjusted pursuant to this Section 5.11). All adjustments made pursuant to this Section 5.11 shall require the consent of the Class A Preferred Majority.

6. Mandatory Conversion.

6.1 Trigger Events. Upon either (a) the closing of the sale of Common Shares to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, or a qualified prospectus filed with Canadian securities regulatory authorities, in either case, resulting in gross proceeds to the Corporation before the underwriting discount and commissions of at least C\$50,000,000, and a listing of such Common Shares on the TSX, NASDAQ or NYSE (a "**Qualified IPO**"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Preferred Majority (the time immediately prior to such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory**

Conversion Time”), (i) all outstanding Preferred Shares shall automatically be converted into Voting Common Shares, at the then effective conversion rate; and (ii) such shares may not be reissued by the Corporation.

6.2 Procedural Requirements. All holders of record of Preferred Shares shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such Preferred Shares pursuant to this Section 6 at least 10 business days prior to the proposed Mandatory Conversion Time. Upon receipt of such notice, each holder of Preferred Shares shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Shares converted pursuant to Section 6.1, including the rights, if any, to receive notices and vote (other than as a holder of Voting Common Shares), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 6.2. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Shares, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full Voting Common Shares issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 5.2 in lieu of any fraction of a Voting Common Share otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the Preferred Shares converted. Such converted Preferred Shares shall be retired and cancelled and may not be reissued, and the Corporation may thereafter take such appropriate action as may be necessary to reduce the authorized number of Preferred Shares accordingly.

7. Waiver. Any of the rights, powers, preferences and other terms of the Preferred Shares set forth herein may be waived on behalf of all holders of Preferred Shares by the affirmative written consent or vote of the Preferred Majority. Notwithstanding the foregoing, in connection with a waiver of Section 5.4.2 or a circumstance where the rights, powers, preferences and other terms of the Preferred Shares set forth herein are to be waived only as it relates to a particular class or series of Preferred Shares, such rights, powers, preferences or other terms may only be waived by the affirmative written consent or vote of such class or series of Preferred Shares.

8. Notices. Any notice required or permitted by the provisions of this Schedule to be given to a holder of Preferred Shares shall be given in the manner set out in the By-Laws.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2020/04/30

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

ANACA TECHNOLOGIES LTD.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/ MATT MCQUILLEN
Par :

(Signature)
(Signature)

Director

(Description of Office)
(Fonction)



**2020-21
Adopted Budget
June 25, 2020**

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MULTI-YEAR PROJECTION ASSUMPTIONS

- Projected Sales Volume: 2020/21 - \$590,260, 2020/21 - \$1,180,520, 2021/22 - \$2,361,040, 2022/23 - \$4,722,080
 - JPA Revenues are based on a 4% Administrative Fee from Sales
 - Member contracts funded with Federal Revenues may have restrictions related to administrative fees. In these instances, a flat rate will be negotiated.
 - Revenues earned as of 06/30/20 of \$17,335
- Anticipate recruiting two (2) additional Founding Member Districts which will generate \$20,000 in fees
 - In 2019/20 one new founding member was added, El Dorado COE.
 - At First Interim 2020/21 the balance of the projected revenues from founding members (\$20,000) will be added back into the budget.
- Projected legal costs for contract review are included in the budget.
- Administrative Fees
 - Clovis USD waived all Administrative Fees through the 2020/21 fiscal year and deferred 2021/22 fees. Base administrative fees are projected to be \$30,000 annually and an additional .25% of sales revenues.
 - Irvine Unified will defer direct costs administrative fees, of \$20,000 annually, through 2021-22 based on current revenue projections.
 - Irvine Unified will waive staff support administrative fees through 2020-21 and defer 2021-22. Base administrative fees will be \$20,000 annually with a .25% variable procurement fee based on sales.
- McGuire& Associates will be the JPA Consultant
 - Fees will be deferred until the 2020-21 fiscal year, depending on sales the deferral may be repaid over a two year period.
- Eide Bailly (previously VTD) will complete the JPA audit
 - 2018-19 Audit was completed with zero findings
 - Five-year contract was signed for a fee of \$5,000 annually
- A JPA is required to maintain a budgeted reserve of 5% of expenditures \$71,000 whichever is greater

Summary of Multi-Year Projection									
Estimates/Projections	2018-19	2019-20 2nd Interim	2019-20 Estimated Actuals	2020-21 Adopted Budget	2021-22	2022-23	2023-24	2024-25	Notes
Estimated Expenditures and Obligations	\$ -	\$ 5,487	\$ 5,487	\$ 20,504	\$ 34,508	\$ 147,134	\$ 224,691	\$ 447,882	
Revenue (Projected)	\$ 40,000	\$ 44,004	\$ 27,335	\$ 28,008	\$ 56,016	\$ 112,032	\$ 224,064	\$ 448,128	
Net	\$ 40,000	\$ 38,517	\$ 21,848	\$ 7,504	\$ 21,508	\$ (35,102)	\$ (627)	\$ 246	
Ending Balance	\$ 40,000	\$ 78,517	\$ 61,848	\$ 86,021	\$ 107,529	\$ 72,427	\$ 71,800	\$ 72,047	
Minimum Reserve	\$ 67,000	\$ 69,000	\$ 69,000	\$ 71,000	\$ 71,000	\$ 71,000	\$ 71,000	\$ 71,000	
Net (Including Reserve Requirement)	\$ (27,000)	\$ 9,517	\$ (7,152)	\$ 15,021	\$ 36,529	\$ 1,427	\$ 800	\$ 1,047	
Expenditures									
Fixed/Flat Costs	2018-19	2019-20 2nd Interim	2019-20 Estimated Actuals	2020-21 Adopted Budget	2021-22	2022-23	2023-24	2024-25	
McGuire and Associates Contract	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 5,000	\$ 15,000	\$ 5,000	
Insurance	\$ -	\$ 1,987	\$ 1,987	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	
Auditor	\$ -	\$ 3,500	\$ 3,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
Clovis Unified Admin Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 55,000	Waive 18-19, 19-20, 20-21, Defer 21.22 (as of 24.25 owe \$5K)
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 1,500	
Travel Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	
Irvine Unified - Tier 1 - Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 60,000	Deferral 18-19, 19-20, 20-21, 21-22 (as of 24.25 still owe \$40K)
Irvine Unified - Tier 2 - Staff Time Base Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 40,000	Waive 18-19, 19-20, 20-21. Defer 21-22
Reimbursing Founding Members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Will add if revenue is sufficient.
Payments to Founding Members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Will add if revenue is sufficient.
Calculate amount to be paid to F3				\$ 4,004	\$ 18,008	\$ 46,016	\$ 102,032	\$ 214,064	
F3 Ongoing	\$ -	\$ -	\$ -	\$ 4,004	\$ 18,008	\$ 46,016	\$ 102,032	\$ 88,008	JPA keeps \$20K Admin Fees and F3 recieves 50% of balances towards current and deferred fees
F3 Deferral	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,056	
Total Fixed/Flat Costs	\$ -	\$ 5,487	\$ 5,487	\$ 20,504	\$ 34,508	\$ 127,516	\$ 194,732	\$ 383,564	
Variable Costs*									
Clovis Admin Fee (0.25%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,809	\$ 14,979	\$ 32,159	Waive 18-19, 19-20, 20-21. Defer 21-22, pd in 24.25
Irvine Procurement Fee (0.25%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,809	\$ 14,979	\$ 32,159	Waive 18-19, 19-20, 20-21. Defer 21-22, pd in 24.25
Total Variable Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,618	\$ 29,959	\$ 64,318	
Total Costs	\$ -	\$ 5,487	\$ 5,487	\$ 20,504	\$ 34,508	\$ 147,134	\$ 224,691	\$ 447,882	
Total Sales Needed, assuiming 4% admin fee		\$ 137,175	\$ 137,175	\$ 512,600	\$ 1,061,785	\$ 3,923,569	\$ 5,991,754	\$ 11,801,969	

Revenues								
	2018-19	2019-20 2nd Interim	2019-20 Estimated Actuals	2020-21 Adopted Budget	2021-22	2022-23	2023-24	2024-25
Projected Revenue								
Founding Member Contributions	\$40,000	\$30,000	\$10,000	\$0	\$0	\$0	\$0	\$0
New Revenues Projected	\$0	\$0	\$0	\$10,673	\$28,008	\$56,016	\$112,032	\$224,064
Sales Revenue (Current + Anticipated Renewals)	\$0	\$14,004	\$17,335	\$17,335	\$28,008	\$56,016	\$112,032	\$224,064
Total	\$40,000	\$44,004	\$27,335	\$28,008	\$56,016	\$112,032	\$224,064	\$448,128
Actual Revenue								
Founding Member Contributions	\$40,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
Sales Revenue (Current + Anticipated Renewals)	\$0	\$14,004	\$17,335	\$17,335	\$17,335	\$17,335	\$17,335	\$17,335
Total	\$40,000	\$14,004	\$27,335	\$17,335	\$17,335	\$17,335	\$17,335	\$17,335
Actual vs. Projected	\$0	(\$30,000)	\$0	(\$10,673)	(\$38,681)	(\$94,697)	(\$206,729)	(\$430,793)
Assumptions								
	Target	Actual						
Percentage of Admin Fee Available to Cover Costs	3.25%							
Admin Fee to Clovis	0.25%							
Admin Fee to IUSD	0.25%							
Target Revenue for Each Founding Member	\$100,000							
Target Number of Founding Members	7	5						
Legal Fees Monthly	\$6,000							
Target Members (20-21)	100							
Target Average Sales/Member (20-21)	\$100,000							
Reserve Requirement (Minimum Amount)	\$71,000	Updated as of 20-21 Adopted, previous requirement was \$69K						
F3 Deferral Amount	\$323,801.50							

ANNUAL BUDGET REPORT:
July 1, 2020 Budget Adoption

This budget was developed using the state-adopted Criteria and Standards. It was filed and adopted subsequent to a public hearing by the JPA governing board. (Pursuant to Education Code sections 33129, 41023 and 42127)

Budget available for inspection at:

Public Hearing:

Place: Clovis Unified School District
Date: May 25, 2020

Place: Clovis Unified School District
Date: May 28, 2020
Time: 01:00 AM

Adoption Date: June 25, 2020

Signed: _____
Clerk/Secretary of the JPA Governing Board
(Original signature required)

Contact person for additional information on the budget reports:

Name: Susan Rutledge

Telephone: (559)327-9127

Title: CUSD Assistant Supt., Business Services

E-mail: susanrutledge@cUSD.com

Criteria and Standards Review Summary

The following summary is automatically completed based on data provided in the Criteria and Standards Review (Form 01CS). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern for fiscal solvency purposes and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	This criterion is not checked for JPAs.	n/a	n/a
2	Enrollment	This criterion is not checked for JPAs.	n/a	n/a
3	ADA to Enrollment	This criterion is not checked for JPAs.	n/a	n/a
4	Local Control Funding Formula (LCFF) Revenue	This criterion is not checked for JPAs.	n/a	n/a

CRITERIA AND STANDARDS (continued)			Met	Not Met
5	Salaries and Benefits	Projected ratios of total salaries and benefits to total general fund expenditures are consistent with historical ratios for the budget and two subsequent fiscal years.	X	
6a	Other Revenues	Projected operating revenues (e.g., federal, other state, and other local) are within the standard for the budget and two subsequent fiscal years.		X
6b	Other Expenditures	Projected operating expenditures (e.g., books and supplies, and services and other operating) are within the standard for the budget and two subsequent fiscal years.		X
7	Ongoing and Major Maintenance Account	This criterion is not checked for JPAs.	n/a	n/a
8	Deficit Spending	Deficit spending, if any, has not exceeded the standard for two or more of the last three fiscal years.	X	
9	Fund Balance	General fund beginning balance has not been overestimated by more than the standard for two or more of the last three fiscal years.	X	
10	Reserves	Projected available reserves (e.g., reserve for economic uncertainties, unassigned/unappropriated amounts) meet minimum requirements for the budget and two subsequent fiscal years.	X	

SUPPLEMENTAL INFORMATION			No	Yes
S1	Contingent Liabilities	Are there known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) that may impact the budget?	X	
S2	Using One-time Revenues to Fund Ongoing Expenditures	Are there ongoing general fund expenditures in excess of one percent of the total general fund expenditures that are funded with one-time resources?	X	
S3	Using Ongoing Revenues to Fund One-time Expenditures	Are there large non-recurring general fund expenditures that are funded with ongoing general fund revenues?	X	
S4	Contingent Revenues	Are any projected revenues for the budget or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes, forest reserves)?	X	
S5	Contributions	Have transfers to or from the general fund to cover operating deficits changed by more than the standard for the budget or two subsequent fiscal years?	X	
S6	Long-term Commitments	Does the JPA have long-term (multiyear) commitments or debt agreements?	X	
		<ul style="list-style-type: none"> If yes, have annual payments for the budget or two subsequent fiscal years increased over prior year's (2019-20) annual payment? 	n/a	

SUPPLEMENTAL INFORMATION (continued)			No	Yes
S7a	Postemployment Benefits Other than Pensions	Does the JPA provide postemployment benefits other than pensions (OPEB)?	X	
		• If yes, are they lifetime benefits?	n/a	
		• If yes, do benefits continue beyond age 65?	n/a	
		• If yes, are benefits funded by pay-as-you-go?	n/a	
S7b	Other Self-insurance Benefits	Does the JPA provide other self-insurance benefits (e.g., workers' compensation)?	X	
S8	Status of Labor Agreements	Are salary and benefit negotiations still open for:		
		• Certificated? (Section S8A, Line 1)	n/a	
		• Classified? (Section S8B, Line 1)	n/a	
		• Management/supervisor/confidential? (Section S8C, Line 1)	n/a	
S9	Local Control and Accountability Plan (LCAP)	This supplemental section is not checked for JPAs.	n/a	n/a
S10	LCAP Expenditures	This supplemental section is not checked for JPAs.	n/a	n/a

ADDITIONAL FISCAL INDICATORS			No	Yes
A1	Negative Cash Flow	Do cash flow projections show that the JPA will end the budget year with a negative cash balance in the general fund?	X	
A2	Independent Position Control	Is personnel position control independent from the payroll system?		X
A3	Declining Enrollment	Is enrollment decreasing in both the prior fiscal year and budget year?	n/a	n/a
A4	New Charter Schools Impacting JPA's Enrollment	Are any new charter schools operating in JPA boundaries that are impacting the JPA's enrollment, either in the prior fiscal year or budget year?	n/a	n/a
A5	Salary Increases Exceed COLA	Has the JPA entered into a bargaining agreement where any of the budget or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?	X	
A6	Uncapped Health Benefits	Does the JPA provide uncapped (100% employer paid) health benefits for current or retired employees?	X	
A7	Independent Financial System	Is the JPA's financial system independent from the county office system?		X
A8	Fiscal Distress Reports	Does the JPA have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).	X	
A9	Change of JPA Director or Financial Official	Have there been personnel changes in the JPA director or financial official positions within the last 12 months?	X	

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
A. REVENUES					
1) LCFF Sources		8010-8099	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	44,004.00	28,008.00	-36.4%
5) TOTAL, REVENUES			44,004.00	28,008.00	-36.4%
B. EXPENDITURES					
1) Certificated Salaries		1000-1999	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	0.00	0.00	0.0%
3) Employee Benefits		3000-3999	0.00	0.00	0.0%
4) Books and Supplies		4000-4999	0.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	5,486.58	20,504.00	273.7%
6) Capital Outlay		6000-6999	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			5,486.58	20,504.00	273.7%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			38,517.42	7,504.00	-80.5%
D. OTHER FINANCING SOURCES/USES					
1) Interfund Transfers					
a) Transfers In		8900-8929	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.0%
2) Other Sources/Uses					
a) Sources		8930-8979	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.0%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			38,517.42	7,504.00	-80.5%
F. FUND BALANCE, RESERVES					
1) Beginning Fund Balance					
a) As of July 1 - Unaudited		9791	40,000.00	78,517.42	96.3%
b) Audit Adjustments		9793	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			40,000.00	78,517.42	96.3%
d) Other Restatements		9795	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			40,000.00	78,517.42	96.3%
2) Ending Balance, June 30 (E + F1e)			78,517.42	86,021.42	9.6%
Components of Ending Fund Balance					
a) Nonspendable					
Revolving Cash		9711	0.00	0.00	0.0%
Stores		9712	0.00	0.00	0.0%
Prepaid Items		9713	0.00	0.00	0.0%
All Others		9719	0.00	0.00	0.0%
b) Restricted		9740	0.00	0.00	0.0%
c) Committed					
Stabilization Arrangements		9750	0.00	0.00	0.0%
Other Commitments		9760	0.00	0.00	0.0%
d) Assigned					
Other Assignments		9780	0.00	0.00	0.0%
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties		9789	0.00	0.00	0.0%
Unassigned/Unappropriated Amount		9790	78,517.42	86,021.42	9.6%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
G. ASSETS					
1) Cash					
a) in County Treasury		9110	0.00		
1) Fair Value Adjustment to Cash in County Treasury		9111	0.00		
b) in Banks		9120	0.00		
c) in Revolving Cash Account		9130	0.00		
d) with Fiscal Agent/Trustee		9135	0.00		
e) Collections Awaiting Deposit		9140	0.00		
2) Investments		9150	0.00		
3) Accounts Receivable		9200	0.00		
4) Due from Grantor Government		9290	0.00		
5) Due from Other Funds		9310	0.00		
6) Stores		9320	0.00		
7) Prepaid Expenditures		9330	0.00		
8) Other Current Assets		9340	0.00		
9) TOTAL, ASSETS			0.00		
H. DEFERRED OUTFLOWS OF RESOURCES					
1) Deferred Outflows of Resources		9490	0.00		
2) TOTAL, DEFERRED OUTFLOWS			0.00		
I. LIABILITIES					
1) Accounts Payable		9500	0.00		
2) Due to Grantor Governments		9590	0.00		
3) Due to Other Funds		9610	0.00		
4) Current Loans		9640	0.00		
5) Unearned Revenue		9650	0.00		
6) TOTAL, LIABILITIES			0.00		
J. DEFERRED INFLOWS OF RESOURCES					
1) Deferred Inflows of Resources		9690	0.00		
2) TOTAL, DEFERRED INFLOWS			0.00		
K. FUND EQUITY					
Ending Fund Balance, June 30 (G9 + H2) - (I6 + J2)			0.00		

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
FEDERAL REVENUE					
Special Education Discretionary Grants		8182	0.00	0.00	0.0%
Child Nutrition Programs		8220	0.00	0.00	0.0%
Donated Food Commodities		8221	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.0%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.0%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			0.00	0.00	0.0%
OTHER STATE REVENUE					
Other State Apportionments					
All Other State Apportionments - Current Year		8311	0.00	0.00	0.0%
All Other State Apportionments - Prior Years		8319	0.00	0.00	0.0%
Child Nutrition Programs		8520	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	0.00	0.00	0.0%
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6695	8590	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			0.00	0.00	0.0%
OTHER LOCAL REVENUE					
Other Local Revenue					
Sales					
Sale of Equipment/Supplies		8631	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.0%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
Leases and Rentals		8650	0.00	0.00	0.0%
Interest		8660	0.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.0%
Fees and Contracts					
Adult Education Fees		8671	0.00	0.00	0.0%
In-District Premiums/ Contributions		8674	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.0%
Interagency Services		8677	30,000.00	0.00	-100.0%
All Other Fees and Contracts		8689	14,004.00	28,008.00	100.0%
Other Local Revenue					
Pass-Through Revenues From Local Sources		8697	0.00	0.00	0.0%
All Other Local Revenue		8699	0.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.0%
Transfers of Apportionments					
Special Education SELPA Transfers From Districts or Charter Schools	6500	8791	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.0%
ROC/P Transfers					
From Districts or Charter Schools	6360	8791	0.00	0.00	0.0%
From County Offices	6360	8792	0.00	0.00	0.0%
From JPAs	6360	8793	0.00	0.00	0.0%
Other Transfers of Apportionments					
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			44,004.00	28,008.00	-36.4%
TOTAL, REVENUES			44,004.00	28,008.00	-36.4%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
CERTIFICATED SALARIES					
Certificated Teachers' Salaries		1100	0.00	0.00	0.0%
Certificated Pupil Support Salaries		1200	0.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	0.00	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			0.00	0.00	0.0%
CLASSIFIED SALARIES					
Classified Instructional Salaries		2100	0.00	0.00	0.0%
Classified Support Salaries		2200	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	0.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			0.00	0.00	0.0%
EMPLOYEE BENEFITS					
STRS		3101-3102	0.00	0.00	0.0%
PERS		3201-3202	0.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	0.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	0.00	0.00	0.0%
Unemployment Insurance		3501-3502	0.00	0.00	0.0%
Workers' Compensation		3601-3602	0.00	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			0.00	0.00	0.0%
BOOKS AND SUPPLIES					
Approved Textbooks and Core Curricula Materials		4100	0.00	0.00	0.0%
Books and Other Reference Materials		4200	0.00	0.00	0.0%
Materials and Supplies		4300	0.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.0%
Food		4700	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			0.00	0.00	0.0%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
SERVICES AND OTHER OPERATING EXPENDITURES					
Subagreements for Services		5100	0.00	0.00	0.0%
Travel and Conferences		5200	0.00	0.00	0.0%
Dues and Memberships		5300	0.00	0.00	0.0%
Insurance		5400-5450	1,986.58	1,500.00	-24.5%
Operations and Housekeeping Services		5500	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	0.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	3,500.00	19,004.00	443.0%
Communications		5900	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			5,486.58	20,504.00	273.7%
CAPITAL OUTLAY					
Land		6100	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.0%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
OTHER OUTGO (excluding Transfers of Indirect Costs)					
Tuition					
Tuition, Excess Costs, and/or Deficit Payments					
Payments to Districts or Charter Schools		7141	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.0%
Other Transfers Out					
Transfers of Pass-Through Revenues					
To Districts or Charter Schools		7211	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments					
To Districts or Charter Schools	6500	7221	0.00	0.00	0.0%
To County Offices	6500	7222	0.00	0.00	0.0%
To JPAs	6500	7223	0.00	0.00	0.0%
ROC/P Transfers of Apportionments					
To Districts or Charter Schools	6360	7221	0.00	0.00	0.0%
To County Offices	6360	7222	0.00	0.00	0.0%
To JPAs	6360	7223	0.00	0.00	0.0%
Other Transfers of Apportionments	All Other	7221-7223	0.00	0.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.0%
Debt Service					
Debt Service - Interest		7438	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS					
Transfers of Indirect Costs		7310	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.0%
TOTAL, EXPENDITURES			5,486.58	20,504.00	273.7%

Description	Resource Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
INTERFUND TRANSFERS					
INTERFUND TRANSFERS IN					
From: Special Reserve Fund		8912	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.0%
INTERFUND TRANSFERS OUT					
To: Special Reserve Fund		7612	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.0%
To: Cafeteria Fund		7616	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.0%
OTHER SOURCES/USES					
SOURCES					
Long-Term Debt Proceeds					
Proceeds from Certificates of Participation		8971	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.0%
USES					
All Other Financing Uses		7699	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.0%
CONTRIBUTIONS					
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.0%

Description	Function Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
A. REVENUES					
1) LCFF Sources		8010-8099	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	44,004.00	28,008.00	-36.4%
5) TOTAL, REVENUES			44,004.00	28,008.00	-36.4%
B. EXPENDITURES (Objects 1000-7999)					
1) Instruction	1000-1999		0.00	0.00	0.0%
2) Instruction - Related Services	2000-2999		0.00	0.00	0.0%
3) Pupil Services	3000-3999		0.00	0.00	0.0%
4) Ancillary Services	4000-4999		0.00	0.00	0.0%
5) Community Services	5000-5999		0.00	0.00	0.0%
6) Enterprise	6000-6999		0.00	0.00	0.0%
7) General Administration	7000-7999		5,486.58	20,504.00	273.7%
8) Plant Services	8000-8999		0.00	0.00	0.0%
9) Other Outgo	9000-9999	Except 7600-7699	0.00	0.00	0.0%
10) TOTAL, EXPENDITURES			5,486.58	20,504.00	273.7%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B10)			38,517.42	7,504.00	-80.5%
D. OTHER FINANCING SOURCES/USES					
1) Interfund Transfers					
a) Transfers In		8900-8929	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.0%
2) Other Sources/Uses					
a) Sources		8930-8979	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.0%

Description	Function Codes	Object Codes	2019-20 Estimated Actuals	2020-21 Budget	Percent Difference
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			38,517.42	7,504.00	-80.5%
F. FUND BALANCE, RESERVES					
1) Beginning Fund Balance					
a) As of July 1 - Unaudited		9791	40,000.00	78,517.42	96.3%
b) Audit Adjustments		9793	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			40,000.00	78,517.42	96.3%
d) Other Restatements		9795	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			40,000.00	78,517.42	96.3%
2) Ending Balance, June 30 (E + F1e)			78,517.42	86,021.42	9.6%
Components of Ending Fund Balance					
a) Nonspendable					
Revolving Cash		9711	0.00	0.00	0.0%
Stores		9712	0.00	0.00	0.0%
Prepaid Items		9713	0.00	0.00	0.0%
All Others		9719	0.00	0.00	0.0%
b) Restricted		9740	0.00	0.00	0.0%
c) Committed					
Stabilization Arrangements		9750	0.00	0.00	0.0%
Other Commitments (by Resource/Object)		9760	0.00	0.00	0.0%
d) Assigned					
Other Assignments (by Resource/Object)		9780	0.00	0.00	0.0%
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties		9789	0.00	0.00	0.0%
Unassigned/Unappropriated Amount		9790	78,517.42	86,021.42	9.6%

Resource	Description	2019-20	2020-21
		Estimated Actuals	Budget
Total, Restricted Balance		0.00	0.00

	Object	Beginning Balances (Ref. Only)	July	August	September	October	November	December	January	February
ESTIMATES THROUGH THE MONTH OF	JUNE									
A. BEGINNING CASH			59,797.73	58,297.73	48,297.73	55,297.73	55,297.73	55,297.73	58,297.73	58,297.73
B. RECEIPTS										
LCFF/Revenue Limit Sources										
Principal Apportionment	8010-8019									
Property Taxes	8020-8079									
Miscellaneous Funds	8080-8099									
Federal Revenue	8100-8299									
Other State Revenue	8300-8599									
Other Local Revenue	8600-8799		0.00	0.00	7,000.00	0.00	0.00	7,000.00	0.00	0.00
Interfund Transfers In	8910-8929									
All Other Financing Sources	8930-8979									
TOTAL RECEIPTS			0.00	0.00	7,000.00	0.00	0.00	7,000.00	0.00	0.00
C. DISBURSEMENTS										
Certificated Salaries	1000-1999									
Classified Salaries	2000-2999									
Employee Benefits	3000-3999									
Books and Supplies	4000-4999									
Services	5000-5999		1,500.00	10,000.00	0.00	0.00	0.00	4,000.00	0.00	0.00
Capital Outlay	6000-6599									
Other Outgo	7000-7499									
Interfund Transfers Out	7600-7629									
All Other Financing Uses	7630-7699									
TOTAL DISBURSEMENTS			1,500.00	10,000.00	0.00	0.00	0.00	4,000.00	0.00	0.00
D. BALANCE SHEET ITEMS										
<u>Assets and Deferred Outflows</u>										
Cash Not In Treasury	9111-9199									
Accounts Receivable	9200-9299									
Due From Other Funds	9310									
Stores	9320									
Prepaid Expenditures	9330									
Other Current Assets	9340									
Deferred Outflows of Resources	9490									
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Liabilities and Deferred Inflows</u>										
Accounts Payable	9500-9599									
Due To Other Funds	9610									
Current Loans	9640									
Unearned Revenues	9650									
Deferred Inflows of Resources	9690									
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Nonoperating</u>										
Suspense Clearing	9910		0.00							
TOTAL BALANCE SHEET ITEMS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E. NET INCREASE/DECREASE (B - C + D)			(1,500.00)	(10,000.00)	7,000.00	0.00	0.00	3,000.00	0.00	0.00
F. ENDING CASH (A + E)			58,297.73	48,297.73	55,297.73	55,297.73	55,297.73	58,297.73	58,297.73	58,297.73
G. ENDING CASH, PLUS CASH ACCRUALS AND ADJUSTMENTS										

	Object	March	April	May	June	Accruals	Adjustments	TOTAL	BUDGET
ESTIMATES THROUGH THE MONTH OF JUNE									
A. BEGINNING CASH		58,297.73	65,297.73	65,297.73	62,297.73				
B. RECEIPTS									
LCFF/Revenue Limit Sources									
Principal Apportionment	8010-8019							0.00	0.00
Property Taxes	8020-8079							0.00	0.00
Miscellaneous Funds	8080-8099							0.00	0.00
Federal Revenue	8100-8299							0.00	0.00
Other State Revenue	8300-8599							0.00	0.00
Other Local Revenue	8600-8799	7,000.00	0.00	0.00	7,008.00			28,008.00	28,008.00
Interfund Transfers In	8910-8929							0.00	0.00
All Other Financing Sources	8930-8979							0.00	0.00
TOTAL RECEIPTS		7,000.00	0.00	0.00	7,008.00	0.00	0.00	28,008.00	28,008.00
C. DISBURSEMENTS									
Certificated Salaries	1000-1999							0.00	0.00
Classified Salaries	2000-2999							0.00	0.00
Employee Benefits	3000-3999							0.00	0.00
Books and Supplies	4000-4999							0.00	0.00
Services	5000-5999	0.00	0.00	3,000.00	2,004.00			20,504.00	20,504.00
Capital Outlay	6000-6599							0.00	0.00
Other Outgo	7000-7499							0.00	0.00
Interfund Transfers Out	7600-7629							0.00	0.00
All Other Financing Uses	7630-7699							0.00	0.00
TOTAL DISBURSEMENTS		0.00	0.00	3,000.00	2,004.00	0.00	0.00	20,504.00	20,504.00
D. BALANCE SHEET ITEMS									
<u>Assets and Deferred Outflows</u>									
Cash Not In Treasury	9111-9199							0.00	
Accounts Receivable	9200-9299							0.00	
Due From Other Funds	9310							0.00	
Stores	9320							0.00	
Prepaid Expenditures	9330							0.00	
Other Current Assets	9340							0.00	
Deferred Outflows of Resources	9490				0.00			0.00	
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<u>Liabilities and Deferred Inflows</u>									
Accounts Payable	9500-9599							0.00	
Due To Other Funds	9610							0.00	
Current Loans	9640							0.00	
Unearned Revenues	9650							0.00	
Deferred Inflows of Resources	9690							0.00	
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<u>Nonoperating</u>									
Suspense Clearing	9910							0.00	
TOTAL BALANCE SHEET ITEMS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
E. NET INCREASE/DECREASE (B - C + D)		7,000.00	0.00	(3,000.00)	5,004.00	0.00	0.00	7,504.00	7,504.00
F. ENDING CASH (A + E)		65,297.73	65,297.73	62,297.73	67,301.73				
G. ENDING CASH, PLUS CASH ACCRUALS AND ADJUSTMENTS								67,301.73	

	Object	Beginning Balances (Ref. Only)	July	August	September	October	November	December	January	February
ESTIMATES THROUGH THE MONTH OF	JUNE									
A. BEGINNING CASH			67,301.73	65,801.73	59,401.73	68,405.73	68,405.73	68,405.73	76,209.73	76,209.73
B. RECEIPTS										
LCFF/Revenue Limit Sources										
Principal Apportionment	8010-8019									
Property Taxes	8020-8079									
Miscellaneous Funds	8080-8099									
Federal Revenue	8100-8299									
Other State Revenue	8300-8599									
Other Local Revenue	8600-8799				14,004.00			14,004.00		
Interfund Transfers In	8910-8929									
All Other Financing Sources	8930-8979									
TOTAL RECEIPTS			0.00	0.00	14,004.00	0.00	0.00	14,004.00	0.00	0.00
C. DISBURSEMENTS										
Certificated Salaries	1000-1999									
Classified Salaries	2000-2999									
Employee Benefits	3000-3999									
Books and Supplies	4000-4999									
Services	5000-5999		1,500.00	6,400.00	5,000.00	0.00	0.00	6,200.00	0.00	0.00
Capital Outlay	6000-6599									
Other Outgo	7000-7499									
Interfund Transfers Out	7600-7629									
All Other Financing Uses	7630-7699									
TOTAL DISBURSEMENTS			1,500.00	6,400.00	5,000.00	0.00	0.00	6,200.00	0.00	0.00
D. BALANCE SHEET ITEMS										
<u>Assets and Deferred Outflows</u>										
Cash Not In Treasury	9111-9199									
Accounts Receivable	9200-9299									
Due From Other Funds	9310									
Stores	9320									
Prepaid Expenditures	9330									
Other Current Assets	9340									
Deferred Outflows of Resources	9490									
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Liabilities and Deferred Inflows</u>										
Accounts Payable	9500-9599									
Due To Other Funds	9610									
Current Loans	9640									
Unearned Revenues	9650									
Deferred Inflows of Resources	9690									
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Nonoperating</u>										
Suspense Clearing	9910									
TOTAL BALANCE SHEET ITEMS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E. NET INCREASE/DECREASE (B - C + D)			(1,500.00)	(6,400.00)	9,004.00	0.00	0.00	7,804.00	0.00	0.00
F. ENDING CASH (A + E)			65,801.73	59,401.73	68,405.73	68,405.73	68,405.73	76,209.73	76,209.73	76,209.73
G. ENDING CASH, PLUS CASH ACCRUALS AND ADJUSTMENTS										

	Object	March	April	May	June	Accruals	Adjustments	TOTAL	BUDGET
ESTIMATES THROUGH THE MONTH OF	JUNE								
A. BEGINNING CASH		76,209.73	84,013.73	84,013.73	84,013.73				
B. RECEIPTS									
LCFF/Revenue Limit Sources									
Principal Apportionment	8010-8019							0.00	
Property Taxes	8020-8079							0.00	
Miscellaneous Funds	8080-8099							0.00	
Federal Revenue	8100-8299							0.00	
Other State Revenue	8300-8599							0.00	
Other Local Revenue	8600-8799	14,004.00			14,004.00			56,016.00	56,016.00
Interfund Transfers In	8910-8929							0.00	
All Other Financing Sources	8930-8979							0.00	
TOTAL RECEIPTS		14,004.00	0.00	0.00	14,004.00	0.00	0.00	56,016.00	56,016.00
C. DISBURSEMENTS									
Certificated Salaries	1000-1999							0.00	
Classified Salaries	2000-2999							0.00	
Employee Benefits	3000-3999							0.00	
Books and Supplies	4000-4999							0.00	
Services	5000-5999	6,200.00	0.00	0.00	9,208.00			34,508.00	34,508.00
Capital Outlay	6000-6599							0.00	
Other Outgo	7000-7499							0.00	
Interfund Transfers Out	7600-7629							0.00	
All Other Financing Uses	7630-7699							0.00	
TOTAL DISBURSEMENTS		6,200.00	0.00	0.00	9,208.00	0.00	0.00	34,508.00	34,508.00
D. BALANCE SHEET ITEMS									
<u>Assets and Deferred Outflows</u>									
Cash Not In Treasury	9111-9199							0.00	
Accounts Receivable	9200-9299							0.00	
Due From Other Funds	9310							0.00	
Stores	9320							0.00	
Prepaid Expenditures	9330							0.00	
Other Current Assets	9340							0.00	
Deferred Outflows of Resources	9490							0.00	
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<u>Liabilities and Deferred Inflows</u>									
Accounts Payable	9500-9599							0.00	
Due To Other Funds	9610							0.00	
Current Loans	9640							0.00	
Unearned Revenues	9650							0.00	
Deferred Inflows of Resources	9690							0.00	
SUBTOTAL		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<u>Nonoperating</u>									
Suspense Clearing	9910							0.00	
TOTAL BALANCE SHEET ITEMS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
E. NET INCREASE/DECREASE (B - C + D)		7,804.00	0.00	0.00	4,796.00	0.00	0.00	21,508.00	21,508.00
F. ENDING CASH (A + E)		84,013.73	84,013.73	84,013.73	88,809.73				
G. ENDING CASH, PLUS CASH ACCRUALS AND ADJUSTMENTS								88,809.73	

ANNUAL CERTIFICATION REGARDING SELF-INSURED WORKERS' COMPENSATION CLAIMS

Pursuant to EC Section 42141, if a joint powers agency is self-insured for workers' compensation claims, the director of the joint powers agency annually shall provide information to the governing board of the joint powers agency regarding the estimated accrued but unfunded cost of those claims. The governing board annually shall certify to the county superintendent of schools the amount of money, if any, that it has decided to reserve in its budget for the cost of those claims.

To the County Superintendent of Schools:

(☐) Our JPA is self-insured for workers' compensation claims as defined in Education Code Section 42141(a):

Total liabilities actuarially determined:	\$	0.00
Less: Amount of total liabilities reserved in budget:	\$	0.00
Estimated accrued but unfunded liabilities:	\$	0.00

(☒) This joint powers agency is not self-insured for workers' compensation claims.

Signed _____
Clerk/Secretary of the Governing Board
(Original Signature Required)

Date of Meeting: Jun 25, 2020

For additional information on this certification, please contact:

Name: Michael Johnston

Title: Treasurer

Telephone: (559) 327-9110

E-mail: michaeljohnston@cusd.com

Part I - General Administrative Share of Plant Services Costs

California's indirect cost plan allows that the general administrative costs in the indirect cost pool may include that portion of plant services costs (maintenance and operations costs and facilities rents and leases costs) attributable to the general administrative offices. The calculation of the plant services costs attributed to general administration and included in the pool is standardized and automated using the percentage of salaries and benefits relating to general administration as proxy for the percentage of square footage occupied by general administration.

A. Salaries and Benefits - Other General Administration and Centralized Data Processing

1. Salaries and benefits paid through payroll (Funds 01, 09, and 62, objects 1000-3999 except 3701-3702)
(Functions 7200-7700, goals 0000 and 9000) 0.00
2. Contracted general administrative positions not paid through payroll
 - a. Enter the costs, if any, of general administrative positions performing services ON SITE but paid through a contract, rather than through payroll, in functions 7200-7700, goals 0000 and 9000, Object 5800. _____
 - b. If an amount is entered on Line A2a, provide the title, duties, and approximate FTE of each general administrative position paid through a contract. Retain supporting documentation in case of audit.

B. Salaries and Benefits - All Other Activities

1. Salaries and benefits paid through payroll (Funds 01, 09, and 62, objects 1000-3999 except 3701-3702)
(Functions 1000-6999, 7100-7180, & 8100-8400; Functions 7200-7700, all goals except 0000 & 9000) 0.00

C. Percentage of Plant Services Costs Attributable to General Administration

(Line A1 plus Line A2a, divided by Line B1; zero if negative) (See Part III, Lines A5 and A6) 0.00%

Part II - Adjustments for Employment Separation Costs

When an employee separates from service, the local educational agency (LEA) may incur costs associated with the separation in addition to the employee's regular salary and benefits for the final pay period. These additional costs can be categorized as "normal" or "abnormal or mass" separation costs.

Normal separation costs include items such as pay for accumulated unused leave or routine severance pay authorized by governing board policy. Normal separation costs are not allowable as direct costs to federal programs, but are allowable as indirect costs. State programs may have similar restrictions. Where federal or state program guidelines required that the LEA charge an employee's normal separation costs to an unrestricted resource rather than to the restricted program in which the employee worked, the LEA may identify and enter these costs on Line A for inclusion in the indirect cost pool.

Abnormal or mass separation costs are those costs resulting from actions taken by an LEA to influence employees to terminate their employment earlier than they normally would have. Abnormal or mass separation costs include retirement incentives such as a Golden Handshake or severance packages negotiated to effect termination. Abnormal or mass separation costs may not be charged to federal programs as either direct costs or indirect costs. Where an LEA paid abnormal or mass separation costs on behalf of positions in general administrative functions included in the indirect cost pool, the LEA must identify and enter these costs on Line B for exclusion from the pool.

A. Normal Separation Costs (optional)

Enter any normal separation costs paid on behalf of employees of restricted state or federal programs that were charged to an unrestricted resource (0000-1999) in funds 01, 09, and 62 with functions 1000-6999 or 8100-8400 rather than to the restricted program. These costs will be moved in Part III from base costs to the indirect cost pool. Retain supporting documentation. _____

B. Abnormal or Mass Separation Costs (required)

Enter any abnormal or mass separation costs paid on behalf of general administrative positions charged to unrestricted resources (0000-1999) in funds 01, 09, and 62 with functions 7200-7700. These costs will be moved in Part III from the indirect cost pool to base costs. If none, enter zero. _____

Entry required

Part III - Indirect Cost Rate Calculation (Funds 01, 09, and 62, unless indicated otherwise)

A. Indirect Costs

1. Other General Administration, less portion charged to restricted resources or specific goals (Functions 7200-7600, objects 1000-5999, minus Line B9)	0.00
2. Centralized Data Processing, less portion charged to restricted resources or specific goals (Function 7700, objects 1000-5999, minus Line B10)	0.00
3. External Financial Audit - Single Audit (Function 7190, resources 0000-1999, goals 0000 and 9000, objects 5000-5999)	0.00
4. Staff Relations and Negotiations (Function 7120, resources 0000-1999, goals 0000 and 9000, objects 1000-5999)	0.00
5. Plant Maintenance and Operations (portion relating to general administrative offices only) (Functions 8100-8400, objects 1000-5999 except 5100, times Part I, Line C)	0.00
6. Facilities Rents and Leases (portion relating to general administrative offices only) (Function 8700, resources 0000-1999, objects 1000-5999 except 5100, times Part I, Line C)	0.00
7. Adjustment for Employment Separation Costs	
a. Plus: Normal Separation Costs (Part II, Line A)	0.00
b. Less: Abnormal or Mass Separation Costs (Part II, Line B)	0.00
8. Total Indirect Costs (Lines A1 through A7a, minus Line A7b)	0.00
9. Carry-Forward Adjustment (Part IV, Line F)	0.00
10. Total Adjusted Indirect Costs (Line A8 plus Line A9)	0.00

B. Base Costs

1. Instruction (Functions 1000-1999, objects 1000-5999 except 5100)	0.00
2. Instruction-Related Services (Functions 2000-2999, objects 1000-5999 except 5100)	0.00
3. Pupil Services (Functions 3000-3999, objects 1000-5999 except 4700 and 5100)	0.00
4. Ancillary Services (Functions 4000-4999, objects 1000-5999 except 5100)	0.00
5. Community Services (Functions 5000-5999, objects 1000-5999 except 5100)	0.00
6. Enterprise (Function 6000, objects 1000-5999 except 4700 and 5100)	0.00
7. Board and Superintendent (Functions 7100-7180, objects 1000-5999, minus Part III, Line A4)	0.00
8. External Financial Audit - Single Audit and Other (Functions 7190-7191, objects 5000-5999, minus Part III, Line A3)	3,500.00
9. Other General Administration (portion charged to restricted resources or specific goals only) (Functions 7200-7600, resources 2000-9999, objects 1000-5999; Functions 7200-7600, resources 0000-1999, all goals except 0000 and 9000, objects 1000-5999)	1,986.58
10. Centralized Data Processing (portion charged to restricted resources or specific goals only) (Function 7700, resources 2000-9999, objects 1000-5999; Function 7700, resources 0000-1999, all goals except 0000 and 9000, objects 1000-5999)	0.00
11. Plant Maintenance and Operations (all except portion relating to general administrative offices) (Functions 8100-8400, objects 1000-5999 except 5100, minus Part III, Line A5)	0.00
12. Facilities Rents and Leases (all except portion relating to general administrative offices) (Function 8700, objects 1000-5999 except 5100, minus Part III, Line A6)	0.00
13. Adjustment for Employment Separation Costs	
a. Less: Normal Separation Costs (Part II, Line A)	0.00
b. Plus: Abnormal or Mass Separation Costs (Part II, Line B)	0.00
14. Student Activity (Fund 08, functions 4000-5999, objects 1000-5999 except 5100)	0.00
15. Adult Education (Fund 11, functions 1000-6999, 8100-8400, and 8700, objects 1000-5999 except 5100)	0.00
16. Child Development (Fund 12, functions 1000-6999, 8100-8400 & 8700, objects 1000-5999 except 4700 & 5100)	0.00
17. Cafeteria (Funds 13 & 61, functions 1000-6999, 8100-8400 & 8700, objects 1000-5999 except 4700 & 5100)	0.00
18. Foundation (Funds 19 & 57, functions 1000-6999, 8100-8400 & 8700, objects 1000-5999 except 4700 & 5100)	0.00
19. Total Base Costs (Lines B1 through B12 and Lines B13b through B18, minus Line B13a)	5,486.58

C. Straight Indirect Cost Percentage Before Carry-Forward Adjustment

(For information only - not for use when claiming/recovering indirect costs) (Line A8 divided by Line B19)	0.00%
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D. Preliminary Proposed Indirect Cost Rate

(For final approved fixed-with-carry-forward rate for use in 2021-22 see www.cde.ca.gov/fg/ac/ic/) (Line A10 divided by Line B19)	0.00%
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Part IV - Carry-forward Adjustment

The carry-forward adjustment is an after-the-fact adjustment for the difference between indirect costs recoverable using the indirect cost rate approved for use in a given year, and the actual indirect costs incurred in that year. The carry-forward adjustment eliminates the need for LEAs to file amended federal reports when their actual indirect costs vary from the estimated indirect costs on which the approved rate was based.

Where the ratio of indirect costs incurred in the current year is less than the estimated ratio of indirect costs on which the approved rate for use in the current year was based, the carry-forward adjustment is limited by using either the approved rate times current year base costs, or the highest rate actually used to recover costs from any program times current year base costs, if the highest rate used was less than the approved rate. Rates used to recover costs from programs are displayed in Exhibit A.

A. Indirect costs incurred in the current year (Part III, Line A8)	0.00
B. Carry-forward adjustment from prior year(s)	
1. Carry-forward adjustment from the second prior year	0.00
2. Carry-forward adjustment amount deferred from prior year(s), if any	0.00
C. Carry-forward adjustment for under- or over-recovery in the current year	
1. Under-recovery: Part III, Line A8, plus carry-forward adjustment from prior years, minus (approved indirect cost rate (0%) times Part III, Line B19); zero if negative	0.00
2. Over-recovery: Part III, Line A8, plus carry-forward adjustment from prior years, minus the lesser of (approved indirect cost rate (0%) times Part III, Line B19) or (the highest rate used to recover costs from any program (0%) times Part III, Line B19); zero if positive	0.00
D. Preliminary carry-forward adjustment (Line C1 or C2)	0.00
E. Optional allocation of negative carry-forward adjustment over more than one year	
Where a negative carry-forward adjustment causes the proposed approved rate to fall below zero or would reduce the rate at which the LEA could recover indirect costs to such an extent that it would cause the LEA significant fiscal harm, the LEA may request that the carry-forward adjustment be allocated over more than one year. Where allocation of a negative carry-forward adjustment over more than one year does not resolve a negative rate, the CDE will work with the LEA on a case-by-case basis to establish an approved rate.	
Option 1. Preliminary proposed approved rate (Part III, Line D) if entire negative carry-forward adjustment is applied to the current year calculation:	not applicable
Option 2. Preliminary proposed approved rate (Part III, Line D) if one-half of negative carry-forward adjustment is applied to the current year calculation and the remainder is deferred to one or more future years:	not applicable
Option 3. Preliminary proposed approved rate (Part III, Line D) if one-third of negative carry-forward adjustment is applied to the current year calculation and the remainder is deferred to one or more future years:	not applicable
LEA request for Option 1, Option 2, or Option 3	1
F. Carry-forward adjustment used in Part III, Line A9 (Line D minus amount deferred if Option 2 or Option 3 is selected)	0.00

Approved indirect cost rate: 0.00%
Highest rate used in any program: 0.00%

Fund	Resource	Eligible Expenditures (Objects 1000-5999 except Object 5100)	Indirect Costs Charged (Objects 7310 and 7350)	Rate Used
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Description	Object Codes	2020-21 Budget (Form 01) (A)	% Change (Cols. C-A/A) (B)	2021-22 Projection (C)	% Change (Cols. E-C/C) (D)	2022-23 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099					
2. Federal Revenues	8100-8299	0.00	0.00%	0.00	0.00%	0.00
3. Other State Revenues	8300-8599	0.00	0.00%	0.00	0.00%	0.00
4. Other Local Revenues	8600-8799	28,008.00	100.00%	56,016.00	100.00%	112,032.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%	0.00	0.00%	0.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		28,008.00	100.00%	56,016.00	100.00%	112,032.00
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				0.00		0.00
b. Step & Column Adjustment				0.00		0.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	0.00	0.00%	0.00	0.00%	0.00
2. Classified Salaries						
a. Base Salaries				0.00		0.00
b. Step & Column Adjustment				0.00		0.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	0.00	0.00%	0.00	0.00%	0.00
3. Employee Benefits	3000-3999	0.00	0.00%	0.00	0.00%	0.00
4. Books and Supplies	4000-4999	0.00	0.00%	0.00	0.00%	0.00
5. Services and Other Operating Expenditures	5000-5999	20,504.00	68.30%	34,508.00	269.53%	127,516.00
6. Capital Outlay	6000-6999	0.00	0.00%	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	0.00	0.00%	0.00	0.00%	0.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	0.00	0.00%	0.00	0.00%	0.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	0.00	0.00%	0.00	0.00%	0.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments (Explain in Section G below)				0.00		0.00
11. Total (Sum lines B1 thru B10)		20,504.00	68.30%	34,508.00	269.53%	127,516.00
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)						
		7,504.00		21,508.00		(15,484.00)
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 01, line F1e)		78,517.42		86,021.42		107,529.42
2. Ending Fund Balance (Sum lines C and D1)		86,021.42		107,529.42		92,045.42
3. Components of Ending Fund Balance (Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
a. Nonspendable	9710-9719	0.00		0.00		0.00
b. Restricted	9740	0.00		0.00		0.00
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	0.00		0.00		0.00
d. Assigned	9780	0.00		0.00		0.00
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
2. Unassigned/Unappropriated	9790	86,021.42		107,529.42		92,045.42
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		86,021.42		107,529.42		92,045.42

Description	Object Codes	2020-21 Budget (Form 01) (A)	% Change (Cols. C-A/A) (B)	2021-22 Projection (C)	% Change (Cols. E-C/C) (D)	2022-23 Projection (E)
E. AVAILABLE RESERVES						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	86,021.42		107,529.42		92,045.42
d. Negative Restricted Ending Balances (Negative resources 2000-9999) (Enter projections)	979Z			0.00		0.00
(Enter reserve projections in Columns C and E for subsequent years 1 and 2. - Column A is extracted.)						
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750			0.00		0.00
b. Reserve for Economic Uncertainties	9789			0.00		0.00
c. Unassigned/Unappropriated	9790			0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1a thru E2c)		86,021.42		107,529.42		92,045.42
4. Total Available Reserves - by Percent (Line E3 divided by Line F2)		419.53%		311.61%		72.18%
F. RECOMMENDED RESERVES						
1. JPA ADA						
Used to determine the reserve standard percentage level on Line F5 (Enter ADA for current and two subsequent years, if applicable)		0.00		0.00		0.00
2. Total Expenditures and Other Financing Uses (Line B11)		20,504.00		34,508.00		127,516.00
3. Less: Special Education Pass-through (Not applicable for JPAs)		N/A		N/A		N/A
4. Sub-Total (Line F2 minus F3)		20,504.00		34,508.00		127,516.00
5. Reserve Standard Percentage Level (Refer to Form 01CS, Criterion 10 for calculation details)		5%		5%		5%
6. Reserve Standard - By Percent (Line F4 times F5)		1,025.20		1,725.40		6,375.80
7. Reserve Standard - By Amount (Refer to Form 01CS, Criterion 10 for calculation details)		71,000.00		71,000.00		71,000.00
8. Reserve Standard (Greater of Line F6 or F7)		71,000.00		71,000.00		71,000.00
9. Available Reserves (Line E3) Meet the Reserve Standard (Line F8)		YES		YES		YES
G. ASSUMPTIONS						
Please provide below or on a separate attachment, the assumptions used to determine the projections for the first and second subsequent fiscal years. Further, please include an explanation for any significant expenditure adjustments projected in lines B1d, B2d, and B10. For additional information, please refer to the Budget Assumptions section of the SACS Financial Reporting Software User Guide.						

Provide methodology and assumptions used to estimate revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments). Deviations from the standards must be explained and may affect the approval of the budget.

Note: This form is the same as the school district criteria and standards review except for the average daily attendance, enrollment, ADA to enrollment, LCFF revenue, and ongoing and major maintenance account criteria, which are not applicable for JPAs. The criteria and standards review should be completed only to the extent that individual components apply to each JPA, and with concurrence from the reviewing agency.

CRITERIA AND STANDARDS

1. CRITERION: Average Daily Attendance

This criterion is not checked for JPAs

2. CRITERION: Enrollment

This criterion is not checked for JPAs

3 CRITERION: ADA to Enrollment

This criterion is not checked for JPAs

4. CRITERION: Local Control Funding Formula (LCFF) Revenue

This criterion is not checked for JPAs

5. CRITERION: Salaries and Benefits

STANDARD: Projected ratio of total salaries and benefits to total general fund expenditures for any of the budget year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the JPA's required reserves percentage.

5A. Calculating the JPA's Historical Average Ratio of Salaries and Benefits to Total General Fund Expenditures

DATA ENTRY: All data are extracted or calculated.

Fiscal Year	Estimated/Unaudited Actuals		Ratio of Salaries and Benefits to Total Expenditures
	Salaries and Benefits (Form 01, Objects 1000-3999)	Total Expenditures (Form 01, Objects 1000-7499)	
Third Prior Year (2017-18)	0.00		0.0%
Second Prior Year (2018-19)	0.00		0.0%
First Prior Year (2019-20)	0.00	5,486.58	0.0%
	Historical Average Ratio:		0.0%

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
JPA's Reserve Standard Percentage (Criterion 10B, Line 4):	5.0%	5.0%	5.0%
JPA's Salaries and Benefits Standard (historical average ratio, plus/minus the greater of 3% or the JPA's reserve standard percentage):	-5.0% to 5.0%	-5.0% to 5.0%	-5.0% to 5.0%

5B. Calculating the JPA's Projected Ratio of Salaries and Benefits to Total General Fund Expenditures

DATA ENTRY: If Form MYP exists, Salaries and Benefits, and Total Expenditures data for the 1st and 2nd Subsequent Years will be extracted; if not, enter data for the two subsequent years. All other data are extracted or calculated.

Fiscal Year	Budget		Ratio of Salaries and Benefits to Total Expenditures	Status
	Salaries and Benefits (Form 01, Objects 1000-3999) (Form MYP, Lines B1-B3)	Total Expenditures (Form 01, Objects 1000-7499) (Form MYP, Lines B1-B8, B10)		
Budget Year (2020-21)	0.00	20,504.00	0.0%	Met
1st Subsequent Year (2021-22)	0.00	34,508.00	0.0%	Met
2nd Subsequent Year (2022-23)	0.00	127,516.00	0.0%	Met

5C. Comparison of JPA Salaries and Benefits Ratio to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Ratio of total salaries and benefits to total expenditures has met the standard for the budget and two subsequent fiscal years.

Explanation:
(required if NOT met)

6. CRITERION: Other Revenues and Expenditures

STANDARD: Projected operating revenues (including federal, other state, and other local) or expenditures (including books and supplies, and services and other operating), for any of the budget year or two subsequent fiscal years, have not changed from the prior fiscal year amount by more than the funded cost-of-living adjustment (COLA) plus or minus ten percent.

For each major object category, changes that exceed the funded COLA plus or minus five percent must be explained.

6A. Calculating the JPA's Other Revenues and Expenditures Standard Percentage Ranges

DATA ENTRY: Enter data for the budget and two subsequent fiscal years on line 1. All other data are extracted or calculated.

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
1. JPA's Change in Funding Level			
2. JPA's Other Revenues and Expenditures Standard Percentage Range (Line 1, plus/minus 10%):	-10.00% to 10.00%	-10.00% to 10.00%	-10.00% to 10.00%
3. JPA's Other Revenues and Expenditures Explanation Percentage Range (Line 1, plus/minus 5%):	-5.00% to 5.00%	-5.00% to 5.00%	-5.00% to 5.00%

6B. Calculating the JPA's Change by Major Object Category and Comparison to the Explanation Percentage Range (Section 6A, Line 3)

DATA ENTRY: If Form MYP exists, the 1st and 2nd Subsequent Year data for each revenue and expenditure section will be extracted; if not, enter data for the two subsequent years. All other data are extracted or calculated.

Explanations must be entered for each category if the percent change for any year exceeds the JPA's explanation percentage range.

Object Range / Fiscal Year	Amount	Percent Change Over Previous Year	Change Is Outside Explanation Range
Federal Revenue (Fund 01, Objects 8100-8299) (Form MYP, Line A2)			
First Prior Year (2019-20)	0.00		
Budget Year (2020-21)	0.00	0.00%	No
1st Subsequent Year (2021-22)	0.00	0.00%	No
2nd Subsequent Year (2022-23)	0.00	0.00%	No

Explanation:
(required if yes)

Other State Revenue (Fund 01, Objects 8300-8599) (Form MYP, Line A3)

First Prior Year (2019-20)	0.00		
Budget Year (2020-21)	0.00	0.00%	No
1st Subsequent Year (2021-22)	0.00	0.00%	No
2nd Subsequent Year (2022-23)	0.00	0.00%	No

Explanation:
(required if yes)

Other Local Revenue (Fund 01, Objects 8600-8799) (Form MYP, Line A4)

First Prior Year (2019-20)	44,004.00		
Budget Year (2020-21)	28,008.00	-36.35%	Yes
1st Subsequent Year (2021-22)	56,016.00	100.00%	Yes
2nd Subsequent Year (2022-23)	112,032.00	100.00%	Yes

Explanation:
(required if yes)

The JPA is in its first full year of operations. Revenues received from JPA Admin rates are projected to double each year for the next three subsequent years.

Books and Supplies (Fund 01, Objects 4000-4999) (Form MYP, Line B4)

First Prior Year (2019-20)	0.00		
Budget Year (2020-21)	0.00	0.00%	No
1st Subsequent Year (2021-22)	0.00	0.00%	No
2nd Subsequent Year (2022-23)	0.00	0.00%	No

Explanation:
(required if yes)

Services and Other Operating Expenditures (Fund 01, Objects 5000-5999) (Form MYP, Line B5)

First Prior Year (2019-20)	5,486.58		
Budget Year (2020-21)	20,504.00	273.71%	Yes
1st Subsequent Year (2021-22)	34,508.00	68.30%	Yes
2nd Subsequent Year (2022-23)	127,516.00	269.53%	Yes

Explanation:
(required if yes)

The JPA is in its full year of operations. As contracts increase expenditures related to legal and administrative fees for member districts will increase.

6C. Calculating the JPA's Change in Total Operating Revenues and Expenditures (Section 6A, Line 2)

DATA ENTRY: All data are extracted or calculated.

Object Range / Fiscal Year	Amount	Percent Change Over Previous Year	Status
----------------------------	--------	--------------------------------------	--------

Total Federal, Other State, and Other Local Revenue (Section 6B)

First Prior Year (2019-20)	44,004.00		
Budget Year (2020-21)	28,008.00	-36.35%	Not Met
1st Subsequent Year (2021-22)	56,016.00	100.00%	Not Met
2nd Subsequent Year (2022-23)	112,032.00	100.00%	Not Met

Total Books and Supplies, and Services and Other Operating Expenditures (Section 6B)

First Prior Year (2019-20)	5,486.58		
Budget Year (2020-21)	20,504.00	273.71%	Not Met
1st Subsequent Year (2021-22)	34,508.00	68.30%	Not Met
2nd Subsequent Year (2022-23)	127,516.00	269.53%	Not Met

6D. Comparison of JPA Total Operating Revenues and Expenditures to the Standard Percentage Range

DATA ENTRY: Explanations are linked from Section 6B if the status in Section 6C is not met; no entry is allowed below.

- 1a. STANDARD NOT MET - Projected total operating revenues have changed by more than the standard in one or more of the budget or two subsequent fiscal years. Reasons for the projected change, descriptions of the methods and assumptions used in the projections, and what changes, if any, will be made to bring the projected operating revenues within the standard must be entered in Section 6B above and will also display in the explanation box below.

Explanation:

Federal Revenue
(linked from 6B
if NOT met)

Explanation:

Other State Revenue
(linked from 6B
if NOT met)

Explanation:

Other Local Revenue
(linked from 6B
if NOT met)

The JPA is in its first full year of operations. Revenues received from JPA Admin rates are projected to double each year for the next three subsequent years.

- 1b. STANDARD NOT MET - Projected total operating expenditures have changed by more than the standard in one or more of the budget or two subsequent fiscal years. Reasons for the projected change, descriptions of the methods and assumptions used in the projections, and what changes, if any, will be made to bring the projected operating expenditures within the standard must be entered in Section 6B above and will also display in the explanation box below.

Explanation:

Books and Supplies
(linked from 6B
if NOT met)

Explanation:

Services and Other Exps
(linked from 6B
if NOT met)

The JPA is in its full year of operations. As contracts increase expenditures related to legal and administrative fees for member districts will increase.

7. CRITERION: Facilities Maintenance

STANDARD: Confirm that the annual contribution for facilities maintenance funding is not less than the amount required pursuant to Education Code Section 17070.75, if applicable, and that the JPA is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52060(d)(1) and 17002(d)(1).

Determining the JPA's Compliance with the Contribution Requirement for EC Section 17070.75 - Ongoing and Major Maintenance/Restricted Maintenance Account (OMMA/RMA)

This criterion is not checked for JPAs

8. CRITERION: Deficit Spending

STANDARD: Deficit spending (total expenditures and other financing uses is greater than total revenues and other financing sources) as a percentage of total expenditures and other financing uses, has not exceeded one-third of the JPA's available reserves¹ as a percentage of total expenditures and other financing uses² in two out of three prior fiscal years:

8A. Calculating the JPA's Deficit Spending Standard Percentage Levels

DATA ENTRY: All data are extracted or calculated.

	Third Prior Year (2017-18)	Second Prior Year (2018-19)	First Prior Year (2019-20)
1. JPA's Available Reserve Amounts			
a. Stabilization Arrangements (Funds 01 and 17, Object 9750)	0.00	0.00	0.00
b. Reserve for Economic Uncertainties (Funds 01 and 17, Object 9789)	0.00	0.00	0.00
c. Unassigned/Unappropriated (Funds 01 and 17, Object 9790)	0.00	40,000.00	78,517.42
d. Negative General Fund Ending Balances in Restricted Resources (Fund 01, Object 979Z, if negative, for each of resources 2000-9999)	0.00	0.00	0.00
e. Available Reserves (Lines 1a through 1d)	0.00	40,000.00	78,517.42
2. JPA's Total Expenditures and Other Financing Uses			
a. JPA's Total Expenditures and Other Financing Uses (Criterion 8B)	0.00	0.00	5,486.58
b. Plus: Special Education Pass-through Funds (Not applicable for JPAs)	N/A	N/A	N/A
c. Total Expenditures and Other Financing Uses (Line 2a plus Line 2b)	0.00	0.00	5,486.58
3. JPA's Available Reserve Percentage (Line 1e divided by Line 2c)	0.0%	0.0%	1431.1%
JPA's Deficit Spending Standard Percentage Levels (Line 3 times 1/3):	0.0%	0.0%	477.0%

¹Available reserves are the amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

² A JPA that is the Administrative Unit (AU) of a Special Education Local Plan Area (SELPA) may exclude from its expenditures the distribution of funds to its participating members.

8B. Calculating the JPA's Deficit Spending Percentages

DATA ENTRY: All data are extracted or calculated.

Fiscal Year	Net Change in Fund Balance (Form 01, Section E)	Total Expenditures and Other Financing Uses (Form 01, Objects 1000-7999)	Deficit Spending Level (If Net Change in Fund Balance is negative, else N/A)	Status
Third Prior Year (2017-18)		0.00	0.0%	Met
Second Prior Year (2018-19)	40,000.00	0.00	N/A	Met
First Prior Year (2019-20)	38,517.42	5,486.58	N/A	Met
Budget Year (2020-21) (Information only)	7,504.00	20,504.00		

8C. Comparison of JPA Deficit Spending to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Deficit spending, if any, has not exceeded the standard percentage level in two or more of the three prior years.

Explanation:
(required if NOT met)

9. CRITERION: Fund Balance

STANDARD: Budgeted beginning general fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels:

Percentage Level ¹	JPA ADA		
1.7%	0	to	300
1.3%	301	to	1,000
1.0%	1,001	to	30,000
0.7%	30,001	to	400,000
0.3%	400,001	and	over

¹ Percentage levels equate to a rate of deficit spending which would eliminate recommended reserves for economic uncertainties over a three year period.

JPA ADA (Criterion 10):

JPA's Fund Balance Standard Percentage Level:

9A. Calculating the JPA's General Fund Beginning Balance Percentages

DATA ENTRY: Enter data in the Original Budget column for the First, Second, and Third Prior Years; all other data are extracted or calculated.

Fiscal Year	General Fund Beginning Balance ² (Form 01, Line F1e)		Beginning Fund Balance Variance Level (If overestimated, else N/A)	Status
	Original Budget	Estimated/Unaudited Actuals		
Third Prior Year (2017-18)	0.00		0.0%	Met
Second Prior Year (2018-19)	0.00		0.0%	Met
First Prior Year (2019-20)	40,000.00	40,000.00	0.0%	Met
Budget Year (2020-21) (Information only)	78,517.42			

² Adjusted beginning balance, including audit adjustments and other restatements (objects 9791-9795)

9B. Comparison of JPA Beginning Fund Balance to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

1a. STANDARD MET - General fund beginning fund balance has not been overestimated by more than the standard percentage level for two or more of the previous three years.

Explanation:
(required if NOT met)

10. CRITERION: Reserves

STANDARD: Available reserves¹ for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts² as applied to total expenditures and other financing uses³:

Percentage Level	JPA ADA		
5% or \$71,000 (greater of)	0	to	300
4% or \$71,000 (greater of)	301	to	1,000
3%	1,001	to	30,000
2%	30,001	to	400,000
1%	400,001	and	over

¹ Available reserves are the amounts in the Stabilization Arrangements, Reserve for Economic Uncertainties, and Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

² Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code Section 42238) and then rounded to the nearest thousand.

³ A JPA that is the Administrative Unit (AU) of a Special Education Local Plan Area (SELPA) may exclude from its expenditures the distribution of funds to its participating members.

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
JPA ADA (Form MYP, Line F1, if available; else defaults to zero and may be overwritten):	0	0	0
JPA's Reserve Standard Percentage Level:	5%	5%	5%

10A. Calculating the JPA's Special Education Pass-through Exclusions (only for JPAs that serve as the AU of a SELPA)

Special education pass-through exclusions are not applicable for JPAs

10B. Calculating the JPA's Reserve Standard

DATA ENTRY: If Form MYP exists, the 1st and 2nd Subsequent Year data for lines 1 and 2 will be extracted; if not, enter data for the two subsequent years.
All other data are extracted or calculated.

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
1. Total Expenditures and Other Financing Uses (Criterion 8B) (Form MYP, Line B11)	20,504.00	34,508.00	127,516.00
2. Less: Special Education Pass-through (Not applicable for JPAs)	N/A	N/A	N/A
3. Net Expenditures and Other Financing Uses (Line B1 minus Line B2)	20,504.00	34,508.00	127,516.00
4. Reserve Standard Percentage Level	5%	5%	5%
5. Reserve Standard - by Percent (Line B3 times Line B4)	1,025.20	1,725.40	6,375.80
6. Reserve Standard - by Amount (\$71,000 for JPAs with 0 to 1,000 ADA, else 0)	71,000.00	71,000.00	71,000.00
7. JPA's Reserve Standard (Greater of Line B5 or Line B6)	71,000.00	71,000.00	71,000.00

10C. Calculating the JPA's Budgeted Reserve Amount

DATA ENTRY: If Form MYP exists, 1st and 2nd Subsequent Year data for lines 1 through 7 will be extracted; if not, enter data for the two subsequent years.
All other data are extracted or calculated.

Reserve Amounts	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
1. General Fund - Stabilization Arrangements (Fund 01, Object 9750) (Form MYP, Line E1a)	0.00	0.00	0.00
2. General Fund - Reserve for Economic Uncertainties (Fund 01, Object 9789) (Form MYP, Line E1b)	0.00	0.00	0.00
3. General Fund - Unassigned/Unappropriated Amount (Fund 01, Object 9790) (Form MYP, Line E1c)	86,021.42	107,529.42	92,045.42
4. General Fund - Negative Ending Balances in Restricted Resources (Fund 01, Object 979Z, if negative, for each of resources 2000-9999) (Form MYP, Line E1d)	0.00	0.00	0.00
5. Special Reserve Fund - Stabilization Arrangements (Fund 17, Object 9750) (Form MYP, Line E2a)	0.00	0.00	0.00
6. Special Reserve Fund - Reserve for Economic Uncertainties (Fund 17, Object 9789) (Form MYP, Line E2b)	0.00	0.00	0.00
7. Special Reserve Fund - Unassigned/Unappropriated Amount (Fund 17, Object 9790) (Form MYP, Line E2c)	0.00	0.00	0.00
8. JPA's Budgeted Reserve Amount (Lines C1 thru C7)	86,021.42	107,529.42	92,045.42
9. JPA's Budgeted Reserve Percentage (Information only) (Line 8 divided by Section 10B, Line 3)	419.53%	311.61%	72.18%
JPA's Reserve Standard (Section 10B, Line 7):	71,000.00	71,000.00	71,000.00
Status:	Met	Met	Met

10D. Comparison of JPA Reserve Amount to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Projected available reserves have met the standard for the budget and two subsequent fiscal years.

Explanation:
(required if NOT met)

SUPPLEMENTAL INFORMATION

DATA ENTRY: Click the appropriate Yes or No button for items S1 through S4. Enter an explanation for each Yes answer.

S1. Contingent Liabilities

- 1a. Does your JPA have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) that may impact the budget?

No

- 1b. If Yes, identify the liabilities and how they may impact the budget:

S2. Use of One-time Revenues for Ongoing Expenditures

- 1a. Does your JPA have ongoing general fund expenditures in the budget in excess of one percent of the total general fund expenditures that are funded with one-time resources?

No

- 1b. If Yes, identify the expenditures and explain how the one-time resources will be replaced to continue funding the ongoing expenditures in the following fiscal years:

S3. Use of Ongoing Revenues for One-time Expenditures

- 1a. Does your JPA have large non-recurring general fund expenditures that are funded with ongoing general fund revenues?

No

- 1b. If Yes, identify the expenditures:

S4. Contingent Revenues

- 1a. Does your JPA have projected revenues for the budget year and/or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes, forest reserves)?

No

- 1b. If Yes, identify any of these revenues that are dedicated for ongoing expenses and explain how the revenues will be replaced or expenditures reduced:

S5. Contributions

Identify projected contributions from unrestricted resources in the general fund to restricted resources in the general fund for the budget year and two subsequent fiscal years. Provide an explanation if contributions have changed from the prior fiscal year amounts by more than \$20,000 and more than ten percent. Explanation should include whether contributions are ongoing or one-time in nature.

Identify projected transfers to or from the general fund to cover operating deficits in either the general fund or any other fund for the budget year and two subsequent fiscal years. Provide an explanation if transfers have changed from the prior fiscal year amounts by more than \$20,000 and more than ten percent. Explanation should include whether transfers are ongoing or one-time in nature.

Estimate the impact of any capital projects on the general fund operational budget.

JPA's Contributions and Transfers Standard: -10% to +10%
or -\$20,000 to +\$20,000

S5A. Identification of the JPA's Projected Contributions, Transfers, and Capital Projects that may Impact the General Fund

DATA ENTRY: For Transfers In and Transfers Out, enter data in the First Prior Year. If Form MYP exists, the data will be extracted for the Budget Year, and 1st and 2nd Subsequent Years. If Form MYP does not exist, enter data in the Budget Year, 1st and 2nd subsequent Years. Click the appropriate button for item 1d; all other data will be calculated.

Description / Fiscal Year	Projection	Amount of Change	Percent Change	Status
1a. Contributions, Unrestricted General Fund (Fund 01, Resources 0000-1999, Object 8980)				
This item is not applicable for JPAs.				
1b. Transfers In, General Fund *				
First Prior Year (2019-20)				
Budget Year (2020-21)	0.00	0.00	0.0%	Met
1st Subsequent Year (2021-22)	0.00	0.00	0.0%	Met
2nd Subsequent Year (2022-23)	0.00	0.00	0.0%	Met
1c. Transfers Out, General Fund *				
First Prior Year (2019-20)				
Budget Year (2020-21)	0.00	0.00	0.0%	Met
1st Subsequent Year (2021-22)	0.00	0.00	0.0%	Met
2nd Subsequent Year (2022-23)	0.00	0.00	0.0%	Met
1d. Impact of Capital Projects				
Do you have any capital projects that may impact the general fund operational budget?			No	

* Include transfers used to cover operating deficits in either the general fund or any other fund.

S5B. Status of the JPA's Projected Contributions, Transfers, and Capital Projects

DATA ENTRY: Enter an explanation if Not Met for items 1b-1c or if Yes for item 1d.

- 1a. This item is not applicable for JPAs.
- 1b. MET - Projected transfers in have not changed by more than the standard for the budget and two subsequent fiscal years.

Explanation:
(required if NOT met)

1c. MET - Projected transfers out have not changed by more than the standard for the budget and two subsequent fiscal years.

Explanation:
(required if NOT met)

--

1d. NO - There are no capital projects that may impact the general fund operational budget.

Project Information:
(required if YES)

S6. Long-term Commitments

Identify all existing and new multiyear commitments¹ and their annual required payment for the budget year and two subsequent fiscal years.

Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.

¹ Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.

S6A. Identification of the JPA's Long-term Commitments

DATA ENTRY: Click the appropriate button in item 1 and enter data in all columns of item 2 for applicable long-term commitments; there are no extractions in this section.

1. Does your JPA have long-term (multiyear) commitments?
(If No, skip item 2 and Sections S6B and S6C)
2. If Yes to item 1, list all new and existing multiyear commitments and required annual debt service amounts. Do not include long-term commitments for postemployment benefits other than pensions (OPEB); OPEB is disclosed in item S7A.

Type of Commitment	# of Years Remaining	SACS Fund and Object Codes Used For:		Principal Balance as of July 1, 2020
		Funding Sources (Revenues)	Debt Service (Expenditures)	
Capital Leases				
Certificates of Participation				
General Obligation Bonds				
Supp Early Retirement Program				
State School Building Loans				
Compensated Absences				

Other Long-term Commitments (do not include OPEB)

TOTAL:				0

Type of Commitment (continued)	First Prior Year (2019-20) Annual Payment (P & I)	Budget Year (2020-21) Annual Payment (P & I)	1st Subsequent Year (2021-22) Annual Payment (P & I)	2nd Subsequent Year (2022-23) Annual Payment (P & I)
Capital Leases				
Certificates of Participation				
General Obligation Bonds				
Supp Early Retirement Program				
State School Building Loans				
Compensated Absences				

Other Long-term Commitments (continued):

Total Annual Payments:	0	0	0	0

Has total annual payment increased over prior year (2019-20)?

No

No

No

S6B. Comparison of JPA's Annual Payments To Prior Year Annual Payment

DATA ENTRY: Enter an explanation if Yes.

- 1a. No - Annual payments for long-term commitments have not increased in one or more of the budget and two subsequent fiscal years.

Explanation:
(required if Yes
to increase in total
annual payments)

--

S6C. Identification of Decreases to Funding Sources Used to Pay Long-term Commitments

DATA ENTRY: Click the appropriate Yes or No button in Item 1; If Yes, an explanation is required in Item 2.

1. Will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?

n/a

2. No - Funding sources will not decrease or expire prior to the end of the commitment period, and one-time funds are not being used for long-term commitment annual payments.

Explanation:
(required if Yes)

--

S7. Unfunded Liabilities

Estimate the unfunded liability for postemployment benefits other than pensions (OPEB) based on an actuarial valuation, if required, or other method; identify or estimate the actuarially determined contribution (if available); and indicate how the obligation is funded (pay-as-you-go, amortized over a specific period, etc.).

Estimate the unfunded liability for self-insurance programs such as workers' compensation based on an actuarial valuation, if required, or other method; identify or estimate the required contribution; and indicate how the obligation is funded (level of risk retained, funding approach, etc.).

S7A. Identification of the JPA's Estimated Unfunded Liability for Postemployment Benefits Other than Pensions (OPEB)

DATA ENTRY: Click the appropriate button in item 1 and enter data in all other applicable items; there are no extractions in this section except for the budget year data on line 5b.

1. Does your JPA provide postemployment benefits other than pensions (OPEB)? (If No, skip items 2-5)

No

2. For the JPA's OPEB:

- a. Are they lifetime benefits?

No

- b. Do benefits continue past age 65?

No

- c. Describe any other characteristics of the JPA's OPEB program including eligibility criteria and amounts, if any, that retirees are required to contribute toward their own benefits:

3. a. Are OPEB financed on a pay-as-you-go, actuarial cost, or other method?

- b. Indicate any accumulated amounts earmarked for OPEB in a self-insurance or governmental fund

Self-Insurance Fund

Governmental Fund

4. OPEB Liabilities

- a. Total OPEB liability

- b. OPEB plan(s) fiduciary net position (if applicable)

- c. Total/Net OPEB liability (Line 4a minus Line 4b)

0.00

- d. Is total OPEB liability based on the JPA's estimate or an actuarial valuation?

- e. If based on an actuarial valuation, indicate the measurement date of the OPEB valuation

5. OPEB Contributions

- a. OPEB actuarially determined contribution (ADC), if available, per actuarial valuation or Alternative Measurement Method

- b. OPEB amount contributed (for this purpose, include premiums paid to a self-insurance fund) (funds 01-70, objects 3701-3752)

0.00

- c. Cost of OPEB benefits (equivalent of "pay-as-you-go" amount)

- d. Number of retirees receiving OPEB benefits

Budget Year
(2020-21)

1st Subsequent Year
(2021-22)

2nd Subsequent Year
(2022-23)

0.00		

S7B. Identification of the JPA's Unfunded Liability for Self-Insurance Programs

DATA ENTRY: Click the appropriate button in item 1 and enter data in all other applicable items; there are no extractions in this section.

1. Does your JPA operate any self-insurance programs such as workers' compensation, employee health and welfare, or property and liability?
(Do not include OPEB, which is covered in Section S7A) (If No, skip items 2-4)

No

2. Describe each self-insurance program operated by the JPA, including details for each such as level of risk retained, funding approach, basis for the valuation (JPA's estimate or actuarial), and date of the valuation:

--

3. Self-Insurance Liabilities

- a. Accrued liability for self-insurance programs
b. Unfunded liability for self-insurance programs

4. Self-Insurance Contributions

- a. Required contribution (funding) for self-insurance programs
b. Amount contributed (funded) for self-insurance programs

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

S8. Status of Labor Agreements

Analyze the status of all employee labor agreements. Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues and explain how these commitments will be funded in future fiscal years.

If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:

The JPA must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education (COE) with an analysis of the cost of the settlement and its impact on the operating budget.

The county superintendent shall review the analysis relative to the criteria and standards and may provide written comments to the president of the JPA governing board and superintendent.

S8A. Cost Analysis of JPA's Labor Agreements - Certificated (Non-management) Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2019-20)	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
Number of certificated (non-management) full-time-equivalent (FTE) positions	0.0	0.0	0.0	0.0

Certificated (Non-management) Salary and Benefit Negotiations

1. Are salary and benefit negotiations settled for the budget year?

n/a

If Yes, and the corresponding public disclosure documents have been filed with the COE, complete question 2.

If Yes, and the corresponding public disclosure documents have not been filed with the COE, complete questions 2-4.

If No, identify the unsettled negotiations including any prior year unsettled negotiations and then complete questions 5 and 6.

--

If n/a, skip to Section S8B.

Negotiations Settled

2. Per Government Code Section 3547.5(a), date of public disclosure board meeting:

3. Period covered by the agreement:

Begin Date:

End Date:

4. Salary settlement:

Budget Year
(2020-21)

1st Subsequent Year
(2021-22)

2nd Subsequent Year
(2022-23)

Is the cost of salary settlement included in the budget and multiyear projections (MYPs)?

One Year Agreement

Total cost of salary settlement

% change in salary schedule from prior year
or

Multiyear Agreement

Total cost of salary settlement

% change in salary schedule from prior year
(may enter text, such as "Reopener")

Identify the source of funding that will be used to support multiyear salary commitments:

--

Negotiations Not Settled

5. Cost of a one percent increase in salary and statutory benefits 0

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
6. Amount included for any tentative salary schedule increases	0	0	0

Certificated (Non-management) Health and Welfare (H&W) Benefits

1. Are costs of H&W benefit changes included in the budget and MYPs?
2. Total cost of H&W benefits
3. Percent of H&W cost paid by employer
4. Percent projected change in H&W cost over prior year

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
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Certificated (Non-management) Prior Year Settlements

Are any new costs from prior year settlements included in the budget?

If Yes, amount of new costs included in the budget and MYPs

If Yes, explain the nature of the new costs:

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Certificated (Non-management) Step and Column Adjustments

1. Are step & column adjustments included in the budget and MYPs?
2. Cost of step & column adjustments
3. Percent change in step & column over prior year

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
	<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>
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Certificated (Non-management) Attrition (layoffs and retirements)

1. Are savings from attrition included in the budget and MYPs?
2. Are additional H&W benefits for those laid-off or retired employees included in the budget and MYPs?

	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
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Certificated (Non-management) - Other

List other significant contract changes and the cost impact of each change (i.e., class size, hours of employment, leave of absence, bonuses, etc.):

S8B. Cost Analysis of JPA's Labor Agreements - Classified (Non-management) Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2019-20)	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
Number of classified (non-management) FTE positions	0.0	0.0	0.0	0.0

Classified (Non-management) Salary and Benefit Negotiations

1. Are salary and benefit negotiations settled for the budget year?

n/a

If Yes, and the corresponding public disclosure documents
have been filed with the COE, complete question 2.If Yes, and the corresponding public disclosure documents
have not been filed with the COE, complete questions 2-4.

If No, identify the unsettled negotiations including any prior year unsettled negotiations and then complete questions 5 and 6.

--

If n/a, skip to Section S8C.

Negotiations Settled

2. Per Government Code Section 3547.5(a), date of public disclosure
-
- board meeting:

3. Period covered by the agreement:

Begin Date:

End Date:

4. Salary settlement:

Budget Year
(2020-21)1st Subsequent Year
(2021-22)2nd Subsequent Year
(2022-23)Is the cost of salary settlement included in the budget and multiyear
projections (MYPs)?**One Year Agreement**

Total cost of salary settlement

% change in salary schedule from prior year
or**Multiyear Agreement**

Total cost of salary settlement

% change in salary schedule from prior year
(may enter text, such as "Reopener")

Identify the source of funding that will be used to support multiyear salary commitments:

--

Negotiations Not Settled

5. Cost of a one percent increase in salary and statutory benefits

6. Amount included for any tentative salary schedule increases

Budget Year
(2020-21)1st Subsequent Year
(2021-22)2nd Subsequent Year
(2022-23)

Classified (Non-management) Health and Welfare (H&W) Benefits

1. Are costs of H&W benefit changes included in the budget and MYPs?
2. Total cost of H&W benefits
3. Percent of H&W cost paid by employer
4. Percent projected change in H&W cost over prior year

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

Classified (Non-management) Prior Year Settlements

- Are any new costs from prior year settlements included in the budget?
- If Yes, amount of new costs included in the budget and MYPs
- If Yes, explain the nature of the new costs:

--

Classified (Non-management) Step and Column Adjustments

1. Are step & column adjustments included in the budget and MYPs?
2. Cost of step & column adjustments
3. Percent change in step & column over prior year

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

Classified (Non-management) Attrition (layoffs and retirements)

1. Are savings from attrition included in the budget and MYPs?
2. Are additional H&W benefits for those laid-off or retired employees included in the budget and MYPs?

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

Classified (Non-management) - Other

List other significant contract changes and the cost impact of each change (i.e., hours of employment, leave of absence, bonuses, etc.):

S8C. Cost Analysis of JPA's Labor Agreements - Management/Supervisor/Confidential Employees

DATA ENTRY: Enter all applicable data items; there are no extractions in this section.

	Prior Year (2nd Interim) (2019-20)	Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)
Number of management, supervisor, and confidential FTE positions	0.0	0.0	0.0	0.0

**Management/Supervisor/Confidential
Salary and Benefit Negotiations**

1. Are salary and benefit negotiations settled for the budget year?

n/a

If Yes, complete question 2.

If No, identify the unsettled negotiations including any prior year unsettled negotiations and then complete questions 3 and 4.

--

If n/a, skip the remainder of Section S8C.

Negotiations Settled

2. Salary settlement:

Is the cost of salary settlement included in the budget and multiyear projections (MYPs)?

Total cost of salary settlement

% change in salary schedule from prior year
(may enter text, such as "Reopener")

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

Negotiations Not Settled

3. Cost of a one percent increase in salary and statutory benefits

--

4. Amount included for any tentative salary schedule increases

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

**Management/Supervisor/Confidential
Health and Welfare (H&W) Benefits**

- Are costs of H&W benefit changes included in the budget and MYPs?
- Total cost of H&W benefits
- Percent of H&W cost paid by employer
- Percent projected change in H&W cost over prior year

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

**Management/Supervisor/Confidential
Step and Column Adjustments**

- Are step & column adjustments included in the budget and MYPs?
- Cost of step & column adjustments
- Percent change in step & column over prior year

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

**Management/Supervisor/Confidential
Other Benefits (mileage, bonuses, etc.)**

- Are costs of other benefits included in the budget and MYPs?
- Total cost of other benefits
- Percent change in cost of other benefits over prior year

Budget Year (2020-21)	1st Subsequent Year (2021-22)	2nd Subsequent Year (2022-23)

S9. Local Control and Accountability Plan (LCAP)

Confirm that the school district's governing board has adopted an LCAP or an update to the LCAP effective for the budget year.

This supplemental section is not checked for JPAs.

S10. LCAP Expenditures

Confirm that the school district's budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.

This supplemental section is not checked for JPAs.

ADDITIONAL FISCAL INDICATORS

The following fiscal indicators are designed to provide additional data for reviewing agencies. A "Yes" answer to any single indicator does not necessarily suggest a cause for concern, but may alert the reviewing agency to the need for additional review.

DATA ENTRY: Click the appropriate Yes or No button for items A1 through A9 except items A3 and A4, which are not applicable for JPAs.

A1. Do cash flow projections show that the JPA will end the budget year with a negative cash balance in the general fund?

No

A2. Is the system of personnel position control independent from the payroll system?

Yes

A3. Is enrollment decreasing in both the prior fiscal year and budget year? (Data from the enrollment budget column of Criterion 2A are used to determine Yes or No)

N/A

A4. Are new charter schools operating in JPA boundaries that impact the JPA's enrollment, either in the prior fiscal year or budget year?

N/A

A5. Has the JPA entered into a bargaining agreement where any of the budget or subsequent years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?

No

A6. Does the JPA provide uncapped (100% employer paid) health benefits for current or retired employees?

No

A7. Is the JPA's financial system independent of the county office system?

Yes

A8. Does the JPA have any reports that indicate fiscal distress pursuant to Education Code Section 42127.6(a)? (If Yes, provide copies to the county office of education)

No

A9. Have there been personnel changes in the JPA director or financial official positions within the last 12 months?

No

When providing comments for additional fiscal indicators, please include the item number applicable to each comment.

Comments:
(optional)

End of Joint Powers Agency Budget Criteria and Standards Review



EDUCATION TECHNOLOGY

JOINT POWERS AUTHORITY

ANNUAL EVALUATION REPORT

2019-20

The Education Technology Joint Powers Authority (Ed Tech JPA) aims to streamline procurement, provide competitive pricing, and secure favorable technology contracts for educational agencies and other eligible entities.

OVERVIEW

The Ed Tech JPA was formed in January 2019. In the months following the formation, our Board Members, General Counsel, and Consultants focused on putting operational structures in place, including Bylaws, financial systems and controls, procurement and contract templates, and operational procedures. During the 2019-20 fiscal year, the focus of the organization shifted to building organizational capacity by increasing membership and available contracts. The Ed Tech JPA outpaced goals related to procurement and membership growth. Although the growth is promising, revenue in 2019-20 fell short of early projections. The Ed Tech JPA will continue its focus on membership growth, high-value procurements, outreach, and financial capacity.

JUNE 2019

8 Members
Representing 168,770 Students
5 Completed Procurements
11 Available Contracts
\$0 Admin Fee Revenue

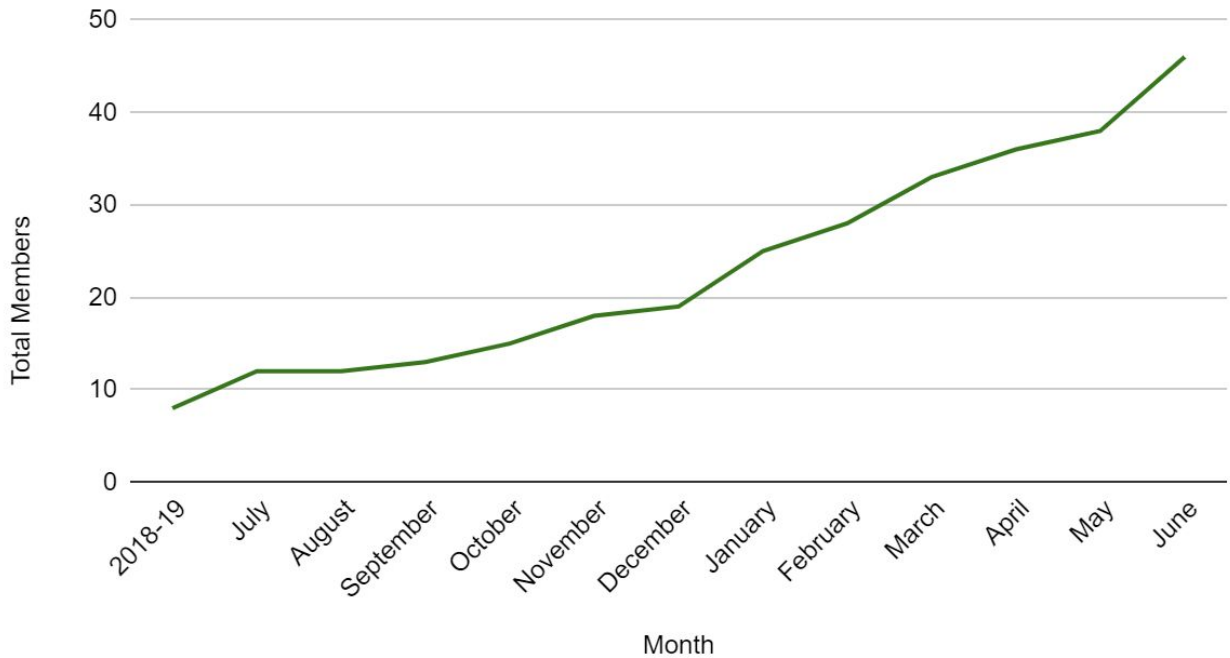
JUNE 2020

46 Members
Representing 702,773 Students
12 Completed Procurements
29 Available Contracts
\$16K Admin Fee Revenue

MEMBERSHIP

Within the past year Ed Tech JPA has added one (1) founding member and thirty-seven (37) associate members and increased the students represented by Ed Tech JPA members by over 500,000. Much of the growth in membership has occurred in the last six months of the fiscal year. Members that joined during this time were also more likely to indicate immediate interest in leveraging specific contracts. Ed Tech JPA's membership growth exceeded the annual goals for 2019-20 in both the number of members (goal: 40, actual: 46) and the number of students represented (goal: 600,000, actual: 702,773).

Ed Tech JPA Members - 2019-20



PROCUREMENT

Ed Tech JPA completed seven (7) requests for proposals (RFP) in 2019-20. Six (6) RFPs were previously scheduled, including: Mobile Device Management, Assessment Platform, Educational Intelligence and Analytics Solution, Help Desk System, College and Career Platform, and Media Repository Solution. Ed Tech JPA also added a Student Information System (SIS) RFP in response to member requests after the sunset of a popular SIS was announced. Vendor participation in Ed Tech JPA RFPs also increased in 2019-20, with industry leaders responding with strong proposals. On average, each RFP resulted in four (4) awards this year compared to three (3) the previous year. In total, this year's procurements resulted in twenty-seven (27) agreements. Ed Tech JPA also worked to update language in the RFP and Master Agreements and create template language for commonly requested amendments to reduce legal costs and expedite completion of procurements and negotiations.

OUTREACH

Ed Tech JPA Board Members and representatives presented at the CITE Annual Conference and the CASBO CBO Symposium in November 2019. Shortly after the presentations, membership interest increased resulting in an uptick in membership in January 2020. Board Members also presented at the Instructure annual conference, Technology Steering Committee (TSC), and regional county office of education job-alike groups. A planned presentation at the spring CASBO conference was cancelled due to COVID-19. Ed Tech JPA created marketing materials including business cards, a one-pager summarizing procurements, and a membership packet.

FINANCIAL CAPACITY

Revenue: Ed Tech JPA expects to receive \$16,807 in administrative fee revenue in 2019-20. Additionally, El Dorado County Office of Education contributed \$10,000 as Ed Tech JPA's fifth Founding Member. Revenue fell short of Ed Tech JPAs initial goals for 2019-20 (\$50,000 in administrative fee revenue and \$30,000 in Founding Member contributions). Both the growth of the Ed Tech JPA and the ability to recruit new founding members were affected by school facility closures and event cancellations related to COVID-19. The Ed Tech JPA was able to successfully reduce costs and defer expenditures to balance the budget in 2019-20.

Costs: Ed Tech JPA's largest cost continues to be legal fees associated with procurement and contract negotiations. In 2019-20, total legal fees are expected to be approximately \$55,000. Reduced procurements and continued refinement of agreement templates and acceptable amendment language will help reduce legal costs in future years. Other Ed Tech JPA costs include audit and insurance expenses. Legal fees, consultant fees, and the reimbursements for RFP advertisements have been deferred to support the Ed Tech JPA in this startup period. Fees for the administrative unit (Clovis Unified) and procurement unit (Irvine Unified) have also been waived through the end of the 2020-21 fiscal year to allow the Ed Tech JPA to build capacity.

Ed Tech JPA's 2019-20 second interim budget and 2020-21 budget reflect the changes noted above. Ed Tech JPA Board Members anticipated delays between the formation of the organization, building membership, and natural procurement cycles that create opportunities to leverage JPA agreements. Growth in membership and contract documentation requests near the end of the 2019-20 fiscal year are positive indicators of significant increased revenue in 2020-21.



EDUCATION TECHNOLOGY JOINT POWERS AUTHORITY

ANNUAL PLAN 2020-21

The Education Technology Joint Powers Authority (Ed Tech JPA) aims to streamline procurement, provide competitive pricing, and secure favorable technology contracts for educational agencies and other eligible entities.

CURRENT POSITION

The Ed Tech JPA is in a strong position at the close of the 2019-20 Fiscal Year. Despite the unusual circumstances surrounding COVID-19, the JPA completed all planned procurements and experienced significant membership growth. The focus of the JPA for the 2020-21 year will be to increase awareness of the JPA with public agencies and vendors, continue to grow our membership, and build financial and organizational capacity.

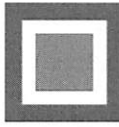
2019-20:
46 Members
12 Completed Procurements
29 Available Contracts
\$16K Admin Fee Revenue

GOALS

MEMBERSHIP	OUTREACH
<i>Grow the Ed Tech JPA Membership to include eighty (80) educational agencies, representing 1,000,000 California students.</i>	<i>Increase awareness of the Ed Tech JPA with eligible entities. Increase engagement with vendor partners and current members.</i>
PROCUREMENT	SUSTAINABILITY
<i>Complete five (5) new requests for proposals based on member needs and negotiate associated contracts.</i>	<i>Generate \$130,000 in Administrative Fee revenue. Add two (2) Founding Members to the JPA Board.</i>

STRATEGIES

1. Regional Connections
 - a. Promote the Ed Tech JPA through existing regional job-alike and user group meetings, including county office of education business and technology leadership meetings and California IT in Education (CITE) Regional Groups.
 - b. Connect directly with technology and business professionals in Ed Tech JPA Board Member regions to encourage Ed Tech JPA membership.
 - c. Apply to present and increase participation at key events (virtual or in-person) including CASBO and CITE annual conferences.
2. Enhanced Partnerships
 - a. Recruit two (2) additional Founding Members and onboard their representatives to the Board.
 - b. Increase engagement with current Associate Members through regular communications, website enhancements, and member feedback opportunities.
 - c. Work with Vendor Partners to increase awareness of the Ed Tech JPA and procurement options with their sales and support teams.
 - d. Develop strategies to increase Ed Tech JPA Brand awareness and recognize Vendor Partners.
3. Resource Development
 - a. Expand Frequently Asked Questions (FAQs) on the Ed Tech JPA website.
 - b. Develop new website resources, including case studies that highlight the benefits of the Ed Tech JPA.
 - c. Update and refine existing marketing materials.



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Mark S. Williams
Direct Dial: 510-550-8228
mwilliams@f3law.com

MEMORANDUM

Via Electronic Mail Only
BrianneFord@iusd.org

TO: Brianne Ford
President
Ed Tech JPA
Governing Board Members
Ed Tech JPA

FROM: Mark Williams and Lori Chiu

DATE: June 18, 2020

RE: General Counsel's Report to Ed Tech JPA

This memorandum serves to provide the Ed Tech JPA's Governing Board with a report of legal activities that Fagen Friedman & Fulfroft ("F3"), General Counsel to the Ed Tech JPA, completed during the 2019-2020 school year, as well as a proposed budget for the 2020-2021 school year as required by Section 12(d) of Ed Tech JPA's Founding Member Agreement.

Section 12(d) provides, in pertinent part, "[e]ach year, commencing June 30, 2019, General Counsel shall prepare a Report summarizing the legal activities of General Counsel for the previous year. The Report will also contain a budget and plan of activities for the following year. The Board shall review and approve the Report." (Founding Member Agreement, Section 12(d).)

Report of General Counsel's Legal Activities for 2019-2020

F3 supported and assisted the Ed Tech JPA in the following ways during the 2019-2020 school year:

- Provided support for start-up activities, including providing general counsel and advice regarding Ed Tech JPA's Founding Member Agreement and Associate Member Agreement, including development of and incorporation of revisions to the same.
- Provided general counsel regarding compliance with federal and state procurement requirements.
- Reviewed, analyzed, and revised RFP documents for procurement activities.

- Assisted with RFP contract award process, including negotiation of contracts with vendors to whom Ed Tech JPA awarded contracts during the 2019-2020 school year.
- Represented Ed Tech JPA in communications with state and federal entities, including California Department of Education, regarding compliance with federal and state procurement laws.
- Attended Ed Tech JPA Board meetings and provided general counsel and advice to the Ed Tech JPA Board regarding legal issues.

General Counsel's Proposed Budget for 2020-2021

Taking into consideration the Ed Tech JPA's planned activities for the 2020-2021 school year, F3 proposes a total budget of \$50,000 for the provision of legal services for the 2020-2021 school year.

General Counsel's Plan of Activities for 2020-2021

F3 anticipates that it will conduct the following activities for Ed Tech JPA during the 2020-2021 school year:

- Provide general counsel regarding procurement-related questions.
- Represent Ed Tech JPA in contract negotiations with vendors as part of RFP contract award process.
- Review, analyze, and make recommendations regarding proposed revisions to contracts with vendors.
- Represent Ed Tech JPA in communications with state and federal entities regarding compliance with federal and state procurement laws.
- Attend Ed Tech JPA Board meetings as needed to provide general counsel and advice to the Ed Tech JPA Board concerning legal issues.
- Conduct other legal activities as requested by Ed Tech JPA.

We hope this information is helpful. As always, please do not hesitate to contact us with any questions or if we can provide further information regarding the topics addressed in this report.

cc: Michelle Bennett, Procurement Specialist

EDUCATION TECHNOLOGY JOINT POWERS AUTHORITY BYLAWS

I. NAME.

The name of this organization shall be the Education Technology Joint Powers Authority (hereinafter referred to as "JPA").

II. PURPOSE.

The JPA's primary purpose shall be to leverage the buying power of multiple entities to provide legally compliant and economically priced digital education products and services to its members. The JPA will collect a fee from the sale of such products and services to its members and that fee will be used to pay for the cost of running the JPA ("Administrative Fee"). The JPA will perform primary administrative and governance tasks necessary to provide legally compliant and economically priced digital products and services to its members. The JPA is committed to building capacity in its membership and may provide additional training and support as priorities are determined by the JPA board. The JPA shall provide those programs and services which are determined, pursuant to Article V, Section F, Subd. 14, to be priority needs of the membership and shall assist in meeting special needs which arise from fundamental constraints upon individual members.

III. BOARD JPA.

A. Controlling Authority. The Board will operate within its legal authority, as specified in the Constitution of the State of California, the laws of the State of California, chiefly the Education Code and joint exercise of powers provisions of the Government Code, and the Rules and Regulations of the State Board of Education as contained in the California Administrative Code Title V, Education. The control of the JPA is vested in the Board. (Education Code Sections 35100-35351, Governing Boards; Government Code Sections 6500-6539, The Joint Exercise of Powers Act.)

B. General Powers. The Board and the JPA have the power to exercise any power common to its members in furtherance of the functions and objectives set forth in the Joint Powers Agreement to the full extent of the law. Included in those duties and powers is the right to: make and enter contracts, employ agents and employees, direct the work of its employees; determine the method, means and services to be provided; determine the staffing patterns; determine the number and kinds of personnel required to maintain the efficiency of the JPA operation; build, move, or modify the facilities; develop a budget; determine the methods of raising revenue; and contract out work. In addition, the Board has the right to evaluate, hire, promote, terminate, and discipline employees, and to take action on any matter in the event of an emergency.

IV. Membership and Participation.

A. Founding Membership. Founding Membership in the JPA shall be limited to public school districts, cities, counties, and other governmental units. There will be no less than two (2) and no more than seven (7) founding members ("Founding Members"). The Founding Members shall be the original signatories to the Joint Powers Agreement.

- 1) Founding Members shall nominate one (1) person to serve on the JPA's Board of Directors, and one (1) alternate to serve in the Board Member's absence.
- 2) Only Founding Members are responsible for any proportionate share of expenses and entitled asset distributions, as may annually be allowed or assessed by the JPA's Board of Directors.
- 3) Founding Members shall pay a fee of \$10,000 upon initial acceptance as a Founding Member of the JPA. This initial fee and any other contribution or assessment made by the Founding Member shall be repaid by the revenues generated by the JPA and at such time as the Board may determine. This fee shall also be recoverable, if not already repaid, upon withdrawal from the JPA, pursuant to paragraph E of this Article, below.
- 4) In the event Ed Tech JPA incurs any extraordinary or unanticipated costs, including, but not limited to, legal fees and/or litigation expenses, the Founding Members may be assessed a fee or fees as determined by a majority vote of the Board necessary to pay such extraordinary or unanticipated costs.
- 5) Founding Members may be located outside of the State of California

B. Associate Membership. Associate Membership shall be available to public school districts, charter schools, cities, counties, and other governmental units to the extent allowed by law.

- 1) Associate members shall be entitled to participate in the JPA's digital purchase program and other services and programs offered by the JPA.
- 2) Associate Members shall not be permitted to nominate any of their governing board members to serve on the JPA's Board of Directors.
- 3) Associate Members are not responsible for any proportionate share of expenses or entitled to asset distributions.
- 4) Associate Members are not entitled to any voting privileges on JPA matters.
- 5) Associate Members shall be required to pay Membership Dues, if any, assessed by the Board of Directors.
- 6) Associate members may be located outside of the State of California

C. Initiating Membership. In order to become a member of the JPA, the potential Founding Member or Associate Member must follow the process identified below. The JPA reserves the right to deny membership to any potential member, for any reason.

- 1) **Associate Membership Application.** Any eligible school district, city or county, or other governmental unit or nonprofit organization may belong the JPA as an Associate Member. The Associate Member candidate must fill out and submit a membership application and deliver a copy of the duly authorized and executed Associate Member Agreement to the JPA. By signing the Associate Membership Agreement, the member's governing board agrees to acceptance of the JPA's by-laws. Once submitted and approved by the JPA, the applicant will become an Associate Member. Participation in programs and services provided by the JPA shall be discretionary.
- 2) **Founding Membership Application.** Founding Members may be added by a majority vote of the Governing Board, up to the limits set forth in Article IV, Section A, above. The prospective Founding Member candidate (including new and existing Associate Members) must fill out and submit a founding membership application to the JPA. If approved by the

Governing Board, the Founding Member must deliver a copy of the duly authorized and executed Joint Powers Authority Agreement (Ed Tech JPA), also known as the Founding Member Agreement, and the fee as set forth in Article IV, Section A, above. By signing the Founding Membership Agreement, the member's governing board agrees to acceptance of the JPA's by-laws and to also pay fees as required by the JPA's Board of Directors. All Founding Members shall be subject to the provisions of paragraph A of this Article, above.

D. Correspondent Members. In states that do not have Joint Powers Authorities, school districts and other local education agencies may apply to join the JPA as an Associate Member and have such additional duties and privileges as the Board may designate.

E. Withdrawal from Founding Membership. A Founding Member may elect to withdraw its membership from the JPA by a majority vote of its full governing board and upon compliance with its Membership Agreement with the JPA. The withdrawal shall be effective on June 30 following the JPA's written receipt of the Founding Member's withdrawal. Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing member for the JPA shall be paid to the JPA. The terms of withdrawal from the JPA shall be governed by Government Code §§ 6522-6512. The withdrawing member shall not be eligible to receive program funds or any revenue shares arising or distributed in the fiscal years commencing after the effective date of withdrawal.

F. Removal of Founding Member. A Founding Member may be removed by a super majority (defined as "majority, plus one") vote of the Board of Directors. The Founding Member subject to removal shall abstain from the vote. The removal shall be effective immediately following the vote. The removed member shall not be eligible to receive program funds or any revenue shares arising or distributed after the effective date of removal. The removed Founding Member's initial fee may be recoverable, if not already repaid, subject to majority approval of the Board.

G. Dissolution of JPA. Founding Members may dissolve the JPA by a super majority vote of the Board of Directors. Upon the dissolution of the JPA or other final termination of the Agreement, any properties of the JPA shall be liquidated and the funds received, together with other funds on hand, shall be used first to discharge all obligations of the JPA. These obligations shall include all claims for which the JPA may have financial responsibility, including claims which have been incurred but not reported, and shall be determined by independent accountants and actuaries selected by the Board of Directors, or the Administrative Unit(s), if the Board of Directors delegates such duties. Any surplus funds remaining after payment for the JPA's obligations shall be returned to present Founding Member Agencies in proportion to contributions made and claims or losses paid.

H. Expansion of Founding Membership. The Founding Membership may be expanded beyond the initial seven (7) founding members upon unanimous, minus one, vote of the Board.

V. ORGANIZATION AND PROCEDURE OF THE BOARD

A. Board of Directors. The care, management, and control of the JPA shall be vested in a Board of Directors composed of no less than two (2) members, and no more than

seven (7) members, unless otherwise approved by the Board pursuant to Article IV, Section H, above.

B. Terms. Each Founding Member shall be entitled to place one (1) member on the Board of Directors. Such appointment shall be made by the Founding Member's Superintendent or governing board. The Founding Member's Board may appoint a designee to serve in the temporary absence of the Board Member. The term of the Board Member shall be for four (4) years. The Board Member may have additional terms at the discretion of the Founding Member's governing board.

C. Revenue. Upon satisfaction of all debts and liabilities in a given fiscal year, and after initial Founding Member contributions have been reimbursed, if the JPA is operating at net gain, each of the Founding Members may receive a fee/revenue sharing/disbursement, as determined by the Board, but no greater than .5% of the net revenue, or \$100,000, whichever is less, in a given fiscal year. The maximum threshold amount shall be adjusted for inflation according to the COLA every year. Founding Members serving as an Administrative Unit(s) as set forth in Article V, Section F, subd. 10, shall be compensated for the Services provided to the JPA, in the amount determined by a majority vote of the Board of Directors. The Board has discretion to reimburse Founding Members for Administrative Fees resulting from the purchases made pursuant to Master Agreements wherein it acted as the initiating agency. Compensation for Host Agency duties shall be superior to Founding Member revenue disbursements identified in this Section.

D. Organization. The Board of Directors of the JPA shall meet following the election each year and organize by electing a President and a Vice-President. The Board of Directors shall appoint a Secretary and a Treasurer. The Board member appointed by the agency serving as the Administrative Unit overseeing financial activities as described in Article V, Section F, subd. 10, *Administrative Units*, shall be appointed as Treasurer. The Board of Directors shall also conduct any other necessary organizational business, including appointing such other officers as it considers necessary.

- 1) **At-Large Board Members.** The JPA's Board of Directors may, at its discretion, appoint up to three (3) members, including Associate or Correspondent Members, to the JPA's Board as ex-officio, non-voting members of the Board and shall encourage the advisory participation of a cross-section of government agency personnel within the JPA to the extent allowed by law.

E. Legal Address. The legal address of the Board shall be Clovis Unified School District Office, 1450 Herndon Avenue, Clovis, CA 93611. The procurement address of the JPA shall be Irvine Unified School District, 5050 Barranca Parkway, Irvine, CA 92604.

F. Duties and Powers of the Board. The JPA's Board of Directors shall have the authority to maintain and operate the JPA. Subject to the availability of necessary resources, included among the powers and duties of this Board are:

- 1) **Meeting.** The Board of Directors shall submit an annual evaluation report of the effectiveness of programs and services and an annual plan which describes the objectives and procedures to be implemented in assisting with the resolution of the needs of the JPA's membership.

- 2) **Facilities.** The Board of Directors shall have the JPA provide adequate office, service center and administrative facilities by lease, purchase, gift, or otherwise.
- 3) **Staff.** The Board of Directors is authorized to employ central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The Board may discharge staff and personnel pursuant to provisions of law applicable to the employing agency for in-kind services provided by JPA members, and if a direct employee of the JPA, by provisions of law applicable California public school districts. The Board shall allow the JPA staff and personnel to participate in retirement programs and any other programs available to public school staff and personnel.
- 4) **Legal Counsel.** The Board of Directors shall appoint an attorney at law who shall serve as general Legal Counsel to the JPA. Legal Counsel shall serve at the will and pleasure of the Board of Directors.
- 5) **Contracts.** The Board of Directors is authorized to enter into contracts to assist in the furtherance of the JPA's goals and objectives, including with independent contractors and consultants, and school boards of local education agencies, including school districts outside the JPA's state.
- 6) **Programs and Services.** The Board of Directors is authorized to enter into contracts with other public and private agencies and institutions to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.
- 7) **Governance.** The Board of Directors shall exercise all powers and carry out all duties delegated to it by members under provisions of the JPA's by-laws. The JPA's Board of Directors shall be governed, when not otherwise provided, by applicable laws of the state of California.
- 8) **Agency Relationships.** The Board of Directors may establish cooperative, working relationships and partnerships with post-secondary educational institutions, other public agencies, business, and industry and may appoint special advisory committees representative of these partners.
- 9) **Executive Committee.** The Board of Directors may establish an Executive Committee which is hereby empowered to exercise all the powers of the Board of Directors except as otherwise specifically proscribed in these Bylaws, during times when the Board of Directors does not meet or is unable to convene a meeting. Actions requiring a supermajority vote of the Board of Directors require a supermajority vote of the Executive Committee. All other actions require a vote of the majority of the committee. The Board President shall nominate the initial members of the Executive Committee. The Board shall set the number of members and, at its sole discretion, ratify or disapprove the nominees, or appoint other members.
- 10) **Administrative Unit(s).** The administration of the JPA shall be provided by no less than one (1), and no more than four (4), Host Agencies, to be designated by the Board of Directors. An Administrative Unit(s) must be a Founding Member. The duties of each Administrative Unit(s) shall be discharged by that District's Chief Technology Officer, Chief

Business Official, or person with equivalent duties and background, who shall also serve as a member of the Board. The Administrative Unit(s) shall be charged with carrying out the purposes of the JPA, including, but not limited to: 1) procurement activities such as: preparing requests for proposal and negotiating agreements with technology providers; development and maintenance of digital contract registries; administration of professional development programs for member agencies; and creation of technology centers for the benefit of member agencies; and 2) financial activities such as: establishing a fund with the county treasurer; developing an annual budget; receiving income and processing expenditures; acting as the treasurer for the JPA, including updating the Board, preparing financial statements and contracting with an independent auditor; serving as the employer of record for JPA employees, including the performance of human resources and payroll functions. Administrative Units may be established for purposes not enumerated in this Section. In the event the Administrative Unit(s) cannot, to the satisfaction of the Board, fulfill the duties prescribed by the Board, the duties of the Administrative Unit(s) shall be transferred to another Founding Member. Administrative Unit(s) shall be compensated for the Services provided to the JPA, in the amount determined by a majority vote of the Board of Directors.

- 11) **Executive Director(s).** When the affairs and activities of the JPA so warrant, the Board of Directors shall appoint an Executive Director and such number of other personnel as may be deemed necessary. The Board of Directors shall also fix the salary and conditions of employment of such officers, which may include reasonable and necessary expenses, vacation and disability leave. The JPA's Executive Director(s) shall, under the direction of the Board of Directors, exercise the following powers and duties:

- a. Act as secretary and executive officer of the Board.
- b. Attend all regular and special meetings of the JPA Board when so required by the Board and advise the Board of all questions under consideration.
- c. Serve as ex-officio member of all advisory committees or councils appointed by the Board.
- d. Provide for the keeping of minutes of the regular Board meetings, recording all proceedings and official actions and keeping such records as may be necessary.
- e. Act for the JPA's Board as the custodian of records, reports, documents, correspondence, educational equipment and supplies, and other property and maintain inventories and indices thereof.
- f. Prepare and present the business to be acted upon at meetings of the Board. The Executive Director(s) is authorized to enter into all associate membership agreements and to extend annual renewals for Contracts pending Board consideration. The Executive Director(s) is authorized to solicit and award all competitively solicited awards (without limits) in categories called for by the Board.
- g. Maintain supervisory custody of the funds of the Board.
- h. The Executive Director(s) shall write drafts against the JPA funds only for expenditures properly approved by the Board of Directors. The Executive Director(s) shall be bonded by the Board and make financial records of the Board available at all times and submit them annually for audit. The Executive Director(s) shall prepare and submit an itemized budget for approval by the JPA Board. The Executive Director(s) shall endeavor to promote through meetings, conferences, and electronic communication with government agency officials, teachers, parents, and the public generally, and by hard-copy and electronic distribution of pamphlets, bulletins, newsletters and other materials, an active interest in all desirable types

of public service and to suggest needed changes and improvements identified by member government agencies.

- i. Act for the JPA's Board as the legal representative for State and Federal Programs.
- 12) **Staff.** Staff shall serve at the will and pleasure of the Administrative Unit(s) or Agencies, subject to review and consideration by the Board.
- 13) **Committees.** The Board of Directors may select advisory councils or committees to give advice and counsel to the Board. The councils or committees may be composed of representatives from public and nonpublic schools, cities, counties, and other governmental units, as well as representatives from business partners.
- 14) **Annual Plan.** The Board of Directors shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested by the JPA for implementation during the following year and shall contain components of long-range planning determined by the JPA. These programs and services may include, but are not limited to, the following areas:
 - a. Administrative services;
 - b. Curriculum development;
 - c. Data processing;
 - d. Distance learning and other telecommunication services;
 - e. Evaluation and research;
 - f. Staff development;
 - g. Media and technology centers;
 - h. Publication and dissemination of materials;
 - i. Pupil personnel services;
 - j. Planning;
 - k. Secondary, post-secondary, community, adult, and adult vocational education;
 - l. Teaching and learning services, including services for students with special talents and special needs;
 - m. Employee personnel services; and
 - n. Purchase of equipment and services to accomplish the purposes set out above.

G. Financial Support. Financial support for the JPA programs and services shall be primarily derived from revenue generated from services provided by the JPA. The JPA may receive private, state, and federal financial support supplementing as available. No Founding Member shall have any additional liability for the debts or obligations of the JPA except the initial contribution and any other liability the Founding Member assumes under these by-laws. Associate Members shall have no liability to the JPA. Associate Members' financial support to the JPA shall be derived from any Membership Dues and the Administrative Fees earned by and paid to the JPA. Any contribution by a Founding Member may be repaid, at the discretion of the Board, from the revenues obtained by the JPA.

H. Ownership of Property. Any property acquired by the JPA's Board of Directors is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state, or

political subdivision thereof. If the JPA is dissolved, its property shall be distributed to the members at the time of dissolution.

I. Legal Action. The Board of Directors may prosecute in its name and defend or settle any action brought by or against it.

J. Public Corporation. The JPA is a public corporation and agency and its Board of Directors may make application for, accept, and expend private, state, and federal funds that are available for programs of the members. As a public corporation, no earnings or interest of the JPA may inure to the benefit of an individual or private entity.

K. Fees. The Board of Directors may make reasonable charges for its services rendered to members. The Board of Directors may also approve the use of administrative fees for purposes allowed by California law.

L. Insurance. The Board of Directors may procure insurance against liability of the Board and of its officers and employees for damages resulting from wrongful acts and omissions of the members, the Board, and its officers and employees, whether the acts or omissions relate to governmental or proprietary functions of the Board.

VI. MEETINGS AND MINUTES OF PROCEEDINGS

A. Meetings. The Board of Directors shall meet as it considers necessary, and hold at least three (3) regular meetings annually. The Board of Directors shall meet at the call of the President or any two (2) members of the Board.

- 1) An electronic agenda shall be sent to each member at least three (3) days prior to the regular meeting of the Board. Matters of emergency nature not on the agenda may be considered at the time of the meeting.
- 2) A quorum at any meeting of members of the Board shall consist of a majority of the elected Board of Directors.
- 3) The order of business at the board meetings shall be as follows:
 - a. Determination of a quorum and call to order.
 - b. Approval of minutes of previous meeting.
 - c. Public Comment
 - d. Approval of Agenda
 - e. Acceptance of Treasurer's report and approval of expenditures.
 - f. Consent Agenda.
 - g. Unfinished and old business.
 - h. New business.
 - i. Personnel Items.
 - j. Reports of the Executive Director and any special committees or advisory councils.
 - k. Presentation of written communications.
 - l. Adjournment.
- 4) The meetings of the Board at which official action is taken shall be public meetings and no person shall be excluded therefrom.

