

MINUTES OF THE
FEBRUARY 2, 2020 MEETING
OF THE BOARD OF DIRECTORS OF
FUTURE IS NOW SCHOOLS – LOS ANGELES
VIDEO CONFERENCE: ZOOM MEETING ID 91550526642

A meeting of the Board of Directors (the “Board”) of the Future Is Now Schools - Los Angeles (the “School”) was held on Tuesday, February 2, 2021 remotely via video conferencing. Directors Jeff Harris, Chairman; Richard Leib, Treasurer; and Steve Barr, CEO, were in attendance. Shandrea Daniel, Principal of Future Is Now Preparatory, Diane Peete, Director of Operations for FINSLA, Scott Warner, CSMC; and David Tokofsky were also in attendance.

The meeting was called to order at 3:17 pm (Pacific Daylight Time).

Chairman’s Welcome

Board President, Jeff Harris, opened the board meeting by welcoming board members, staff and guests.

Minutes

The board unanimously approved the minutes of the December 8, 2020 meeting.

Barr	Estrich	Harris	Leib
Yes	Yes	Yes	Yes

Chief Executive Officer’s Report

Steve Barr provided the board with an update on the school prioritizing student recruitment. Payroll has been delayed due to delays in cash flow. Previously confirmed grants have been delayed until May and July. The organization is applying for additional philanthropy and government grants including Payroll Protection Program (PPP) and Public Charter School Grant Program (PCSGP).

Budget and Finance

Scott Warner, Charter School Management Corp, reviewed the first interim report for submission to LACOE. Funding for the 2020-2021 school is based on philanthropy and grants as FIN Prep is opening for instruction in 2021-2022. Through January 31, 2021 the school is in a deficit of \$250,000. Payment of debt and payroll has been deferred. A strong push for additional funding is necessary.

Board Votes

The board unanimously approved the revised budget.

Barr	Estrich	Harris	Leib
Yes	Yes	Yes	Yes

Contracts

The contract for Cross Country Education to provide supplemental special education services was presented to the board for review.

There being no further business to be transacted, and upon duly made, seconded and approved, the meeting was adjourned at 3:45 pm.

Respectfully Submitted,

Jeff Harris, Chairman

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	1,161,946.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	163,350.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	147,460.97	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	608,902.03	550,150.00	650.00	550,150.00	0.00	0.0%
5) TOTAL, REVENUES			2,081,659.00	550,150.00	650.00	550,150.00		
B. EXPENSES								
1) Certificated Salaries		1000-1999	680,000.00	205,332.02	98,691.52	205,332.02	0.00	0.0%
2) Classified Salaries		2000-2999	206,160.00	195,000.00	106,150.36	195,000.00	0.00	0.0%
3) Employee Benefits		3000-3999	276,577.40	73,782.90	37,211.99	73,782.90	0.00	0.0%
4) Books and Supplies		4000-4999	428,695.02	31,199.59	19,863.63	31,199.59	0.00	0.0%
5) Services and Other Operating Expenses		5000-5999	1,132,133.51	292,902.19	157,444.57	292,902.19	0.00	0.0%
6) Depreciation		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			2,723,565.93	798,216.70	419,362.07	798,216.70		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(641,906.93)	(248,066.70)	(418,712.07)	(248,066.70)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			(641,906.93)	(248,066.70)	(418,712.07)	(248,066.70)		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	0.00	0.00		0.00	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			0.00	0.00		0.00		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Net Position (F1c + F1d)			0.00	0.00		0.00		
2) Ending Net Position, June 30 (E + F1e)			(641,906.93)	(248,066.70)		(248,066.70)		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	0.00	0.00		0.00		
b) Restricted Net Position		9797	0.00	0.00		0.00		
c) Unrestricted Net Position		9790	(641,906.93)	(248,066.70)		(248,066.70)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	1,142,852.00	0.00	0.00	0.00	0.00	0.0%
Education Protection Account State Aid - Current Year		8012	19,094.00	0.00	0.00	0.00	0.00	0.0%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	0.00	0.00	0.00	0.00	0.00	0.0%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			1,161,946.00	0.00	0.00	0.00	0.00	0.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	163,350.00	0.00	0.00	0.00	0.00	0.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
Title I, Part A, Basic	3010	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Other NCLB / Every Student Succeeds Act	3020, 3040, 3041, 3045, 3060, 3061, 3150, 3155, 3180, 3181, 3182, 3185, 4037, 4124, 4126, 4127, 4128, 5510, 5630	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			163,350.00	0.00	0.00	0.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	8,524.00	0.00	0.00	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	4,474.66	0.00	0.00	0.00	0.00	0.0%
Lottery - Unrestricted and Instructional Materials		8560	19,762.31	0.00	0.00	0.00	0.00	0.0%
After School Education and Safety (ASES)	6010	8590	0.00	0.00	0.00	0.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Charter School Facility Grant	6030	8590	114,700.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			147,460.97	0.00	0.00	0.00	0.00	0.0%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	0.00	0.00	0.00	0.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	58,902.03	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	550,000.00	550,150.00	650.00	550,150.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			608,902.03	550,150.00	650.00	550,150.00	0.00	0.0%
TOTAL, REVENUES			2,081,659.00	550,150.00	650.00	550,150.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	360,000.00	50,332.01	35,332.51	50,332.01	0.00	0.0%
Certificated Pupil Support Salaries		1200	60,000.00	15,000.00	1,050.00	15,000.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	260,000.00	140,000.01	62,309.01	140,000.01	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			680,000.00	205,332.02	98,691.52	205,332.02	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	37,440.00	0.00	0.00	0.00	0.00	0.0%
Classified Support Salaries		2200	30,000.00	0.00	0.00	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	60,000.00	180,000.00	102,850.36	180,000.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	78,720.00	15,000.00	3,300.00	15,000.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			206,160.00	195,000.00	106,150.36	195,000.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	125,120.00	33,161.14	14,455.48	33,161.14	0.00	0.0%
PERS		3201-3202	0.00	0.00	0.00	0.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	12,848.00	17,894.80	10,120.95	17,894.80	0.00	0.0%
Health and Welfare Benefits		3401-3402	110,000.00	12,499.98	9,101.32	12,499.98	0.00	0.0%
Unemployment Insurance		3501-3502	0.00	1,819.97	2,136.73	1,819.97	0.00	0.0%
Workers' Compensation		3601-3602	28,609.40	8,407.01	1,397.51	8,407.01	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			276,577.40	73,782.90	37,211.99	73,782.90	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	56,250.02	0.00	0.00	0.00	0.00	0.0%
Books and Other Reference Materials		4200	6,875.00	500.00	42.70	500.00	0.00	0.0%
Materials and Supplies		4300	58,750.00	2,500.00	1,403.44	2,500.00	0.00	0.0%
Noncapitalized Equipment		4400	134,050.00	28,199.59	18,417.49	28,199.59	0.00	0.0%
Food		4700	172,770.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			428,695.02	31,199.59	19,863.63	31,199.59	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	15,000.00	15,000.00	8,074.55	15,000.00	0.00	0.0%
Dues and Memberships		5300	24,500.00	2,500.00	0.00	2,500.00	0.00	0.0%
Insurance		5400-5450	27,000.00	9,000.01	7,838.25	9,000.01	0.00	0.0%
Operations and Housekeeping Services		5500	51,750.00	1,500.02	0.00	1,500.02	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	275,200.00	101,500.00	60,314.51	101,500.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	662,683.51	157,402.17	80,901.61	157,402.17	0.00	0.0%
Communications		5900	76,000.00	5,999.99	315.65	5,999.99	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			1,132,133.51	292,902.19	157,444.57	292,902.19	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
DEPRECIATION								
Depreciation Expense		6900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			2,723,565.93	798,216.70	419,362.07	798,216.70		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Resource	Description	2020/21 Projected Year Totals
	Total, Restricted Net Position	<u>0.00</u>



CliftonLarsonAllen LLP
2210 East Route 66
Glendora, CA 91740
626.857.7300 | fax 626.857.7302
CLAconnect.com

February 26, 2021

Board of Directors and Management
Future Is Now Schools – Los Angeles
41600 Lake Hughes Road
Lake Hughes, CA 93532

Dear Members of the Board and Management:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Future Is Now - Los Angeles (“you,” “your,” or “the Organization”) for the year ended June 30, 2022.

Derrick DeBruyne is responsible for the performance of the audit engagement. Per Education Code Section 41020(f)(2), there is a limit of six consecutive year for any firm where the principal/director-in-charge of the audit and the reviewing principal/director have been the same in each of those years. This is the first year Derrick DeBruyne will be the engagement principal.

Audit services

We will audit the financial statements of the Organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

We will also evaluate and report on the presentation of the supplementary information accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.
- Preparation of adjusting journal entries.
- Preparation of the informational tax return.

Audit objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing

standards generally accepted in the United States of America (U.S. GAAS), the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

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

We also will issue a written report and opinion on State Compliance upon completion of our audit.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

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

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.

- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.
- We will prepare the organization's federal Form 990 and applicable state filings in accordance with the applicable tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible. We will not audit or independently verify the accuracy or completeness of the information we receive from you for the preparation of the returns and filings, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our audit in March 2022.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

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

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

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

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the regulator. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim (“Dispute”) that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“Limitation Period”) after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Price Estimate

The price for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the price for the engagement is as follows:

Professional Services	Amount
Audit services	\$ 10,700
Informational tax return services (June 30, 2021) – if necessary	2,000
Informational tax return services (June 30, 2022)	2,000
Multi-year discount	(2,000)
Technology and client support fee	635
Total	\$ 13,335

The price estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated price for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for our services will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. There is a provision to withhold ten percent of the audit fee until the Controller certifies that they audit report conforms to the reporting provisions of subdivision (a) of Section 14503.

Technology Support Fee

Given the rising technology costs all organizations are expending to serve and protect client information, we are adding a 5% technology and client support fee to all of our invoices. The fee combines technology expenses with client support costs and includes technology support, printing, communications, data security and storage, indirect engagement support costs and technical resource subscriptions. This is estimated and included in the fee table above.

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and

return a copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Derrick DeBruyne, CPA, CFE
Principal
626-857-7300
Derrick.DeBruyne@claconnect.com

Response:

This letter correctly sets forth the understanding of Future Is Now - Los Angeles.

Authorized signature: _____

Title: _____

Date: _____



**NEW MEDISCAN II, LLC DBA CROSS COUNTRY EDUCATION
STAFFING AGREEMENT**

This Staffing Agreement (this "Agreement") is entered into on **ENTER DATE ("Effective Date")** by **New Mediscan II, LLC dba Cross Country Education ("Agency")** and **ENTER CLIENT NAME ("Client")**. Agency and Client may be referred herein individually as a "Party" or collectively as the "Parties".

1. STAFFING SERVICES. Agency will refer to Client qualified and skilled personnel ("Personnel") for positions described in Exhibit A meeting the requirements outlined by Client and set forth in Exhibit B for Client's locations set forth in Exhibit C. Agency will supply Personnel. Agency will use commercially reasonable efforts to provide the Personnel when and as requested by Client. Agency will use commercially reasonable efforts to verify Personnel credentials; however, Agency makes no warranty or guaranty concerning Personnel abilities or performance and Client will exercise its independent judgment in accepting and retaining Personnel for assignment. All other testing and/or additional credentialing required by Client, including any changes to Exhibit B, shall be performed by Agency at Client's sole cost and expense. Any such Client requirements shall be billed to Client.

2. INDEPENDENT RELATIONSHIP. Agency will render all services contemplated under this Agreement to Client as independent contractors and not as employees, agents, partners of, or joint ventures with Client. No Personnel performing services under this Agreement shall have any authority to bind Agency or modify this Agreement.

3. COMPLIANCE WITH LAWS; GENERAL TERMS; STANDARD OF PERFORMANCE. Agency shall comply with all federal laws, regulations and procedures regarding legal status to work and reside in the U.S., including completion of required Immigration and Naturalization forms upon hire. Agency is an Equal Opportunity Employers. Agency and Client will not discriminate in the placement of Personnel on the basis of race, creed, color, national origin, sex, age, disability, citizenship or veteran status. The Parties agree to perform the obligations under this Agreement pursuant to applicable federal, state, and local laws, including but not limited to, meal period and rest break laws. Specifically, Client shall have, and be responsible for, daily supervision over Personnel including, without limitation, providing (a) a safe, harassment free, abusive conduct free and discrimination free workplace, (b) all necessary and appropriate equipment for the work to be performed by the Personnel in the workplace environment, (c) all necessary and appropriate safety and operational training of Personnel on such equipment and concerning such environment, and (d) full compliance with all applicable federal and state wage and hour laws; safety laws and other regulatory laws. Client shall reimburse Agency for any costs, including penalties, incurred by Agency should Client fail to comply with this requirement. Each Party will indemnify the other, its affiliates, directors, officers, trustees, employees, agents and representatives for the indemnifying Party's failure to abide by such applicable federal, state, or local laws.

4. EXCLUSIVITY; FIRST AGENCY TO REFER PERSONNEL. Agency acknowledges and agrees that Client is not obligated to use Agency exclusively to provide Client with any Personnel. If Agency submits Personnel's complete profile to Client, orally or in writing, before any other agency does so, Client agrees to staff and / or hire Personnel only through Agency.

5. BILLING AND PAYMENT. Agency will invoice Client weekly for services pursuant to the rates and terms contained on Exhibit A; payment shall not be subject to offset or waived for any delay in presentment. If additional attachments need to be provided with the invoice, Client agrees to provide that information in writing, prior to the first assignment. If, under applicable state law, Agency is required to pay Personnel any wage/hour penalty, Client will be billed for and will pay such penalty for such Personnel. Payment shall be due within thirty (30) days

after invoice date. Agency will accept payment in the following forms: credit card, check and electronic funds transfer. Any payments processed via credit card, ACH debit or drawdown wire shall not require Client's additional authorization prior to processing payment. Such form of payment may incur a processing fee. A finance charge equal to the greater of 18% or the highest maximum lawful rate per annum, will be added to all outstanding amounts unpaid for thirty (30) days or more. Client will submit, in writing, any and all objections to the invoices to Agency within five (5) business days after Client's invoice date to allow Agency to timely investigate the concern and provide additional information or issue a credit. Failure to so notify Agency of any objections will constitute acceptance of invoice and waiver by Client of such objections. Late invoicing will not affect Client's responsibility for payment. Payments shall be applied in the following order against amounts owed by Client to Agency: (a) first, to the payment of any costs of collection incurred by Agency (including any attorneys' fees and expenses), (b) second, to any late fees and/or penalties, including, but not limited to, any finance charges and (c) last, to the payment of fees for services rendered by Agency to Client under this Agreement. Client and Agency agree that any settlement of disputes regarding this Agreement must be in writing and signed by Agency and Client, or it will not be binding upon either of them. Client authorizes Agency to receive and deposit payments marked "paid in full" or "full satisfaction and discharge" or words of similar import, without waiving Agency's right to proceed against Client for any outstanding amounts owed by Client in excess of such payments. Client agrees to pay any added charges relating to excise, gross receipts, sales tax, or other similar taxes, if applicable. In the event such payments are not made, Agency shall have the right to pay such sums at its discretion and Client agrees to reimburse Agency for all such payments made. Any partial payment of an invoice received and deposited by Agency shall not be deemed to be payment in full of such invoice and shall not waive Agency's right to proceed against Client for any outstanding amounts owed by Client in excess of such payment.

6. SALES, GROSS RECEIPTS, AND/OR APPLICABLE TAXES. Rates listed in this Agreement and any attached exhibits do not include state and local sales tax, gross receipts tax or other applicable taxes. Services provided that are subject to such taxes will be billed at the appropriate rate plus the applicable taxes, payable by Client. Taxability will be determined based on the location where the service is provided. If Client is exempt from such taxes or should not be charged for other legal reasons, it is Client's duty to provide proof of exemption to Agency. In the event that Client utilizes a third party billing system that does not provide an option to bill for tax, Client will be billed separately for the tax due. In the event certain taxes arise from either (a) a determination that Client was not exempt or (b) a determination such services should have been taxable and for which no taxes were charged, Agency shall separately invoice those amounts and Client shall be responsible to pay such amounts according to the terms noted in the billing and payment section of this Agreement.

7. NON-SOLICITATION. Unless otherwise prohibited by applicable law, Client agrees not to solicit any of Agency's employees, including Personnel performing services hereunder, to become employed by Client or to attempt to otherwise modify the employment relationship between Agency's employees, including Personnel, and Agency and/or its affiliates in any manner, except as provided in the attached Exhibit A of this Agreement.

8. TERM/TERMINATION OF AGREEMENT. This Agreement shall begin on the date first written above and shall continue for a term of one year. This Agreement at the end of such term will be automatically renewed for successive one year periods unless terminated sooner. This Agreement may be terminated by either Party on fifteen (15) days' written notice, or at any time by mutual written agreement of the Parties. Agency reserves the right to immediately terminate this Agreement in the event: (i) Client breaches any duty under this Agreement, including but not limited to the failure to timely pay any amounts due to Agency; (ii) if required by law or regulation; or (iii) if Client becomes insolvent or commits any act of bankruptcy, or a petitioner for involuntary bankruptcy is filed against Client, or Client makes a general assignment for the benefit of creditors under the bankruptcy or insolvency laws. On termination, Agency shall have no further obligation to provide Client with Personnel.

9. CONFIDENTIALITY. The Parties agree that this relationship may meet the requirements established under the Family Educational Rights and Privacy Act ("FERPA") and shall act in accordance with FERPA standards. In addition, Client agrees that it will not, directly or indirectly, disclose to any Personnel or any third party any rate or other remuneration information disclosed by Agency to Client or any other information contained in this Agreement, except to the extent that such information is required to

be disclosed by law, court or governmental order. Client acknowledges that all information regarding rates and other remuneration, as between Agency and Personnel and Client and Agency, is considered proprietary by Agency. The terms of this Section shall survive the termination of this Agreement for any reason.

10. INSURANCE. During the term of this Agreement, Agency will maintain Workers' Compensation insurance at levels established by applicable state, automobile liability insurance with limits of \$1,000,000 and general liability insurance with limits of \$1,000,000 (individual) and \$3,000,000 (aggregate). Such general liability coverage shall include claims for sexual abuse and molestation. Agency shall furnish, at Client's request, a certificate of insurance evidencing such coverage.

11. LIABILITY AND INDEMNIFICATION. Agency agrees to indemnify Client from claims and liabilities (including reasonable attorneys' fees) relating to any property damage, personal injuries or death, resulting directly from the negligent acts or omissions of Agency or its employees while performing services pursuant to this Agreement. Client agrees to indemnify Agency, its affiliates, directors, officers, trustees, employees, agents and representatives from claims and liabilities (including reasonable attorneys' fees) relating to personal injuries or death, resulting directly from the negligent acts or omissions of Client or its employees. Client and Agency each agree that they shall only be liable to the other Party under this section for the proportionate liability or relative share of negligence allocated to such Party based on the negligent acts or omissions of itself or its employees.

12. VIRTUAL SERVICES. Most services are available for virtual delivery. If virtual services are requested, Client agrees to indemnify and hold harmless CCE for any violations of FERPA while delivering virtual or other services requested by Client.

13. RISK MANAGEMENT. Client agrees to notify Agency's Risk Management Department by phone at (800) 513-5635 or (888) 235-3321 within fifteen (15) days of any incident or concern regarding care of student(s), incident or pending or threatened lawsuit relating to services provided under this Agreement. Failure of Client to provide such notice shall relieve Agency from any and all liability, damage or costs (including any indemnity obligations) resulting from the alleged incident or complaint. Upon receipt of notification of an incident, Agency's Risk Management Department will take all steps it deems reasonably necessary related to the same. Agency and Client agree that neither Party shall take any retaliatory and/or disciplinary action against Personnel should they report any safety or quality care concerns to any such regulatory agency. Client will be responsible for recording Personnel work injuries on Client's injury logs and will indemnify Agency for any violations of Occupational Safety and Health Administration (OSHA) laws related to Personnel. In the event of an injury to Personnel while working, Client shall advise Personnel to immediately report the injury to Agency. During business hours the number to call is 800-695-7810. During after-hours and weekends the number to call for travel personnel is 800-347-2264 and the respective branch number for per diem. Agency's Workers' Compensation Team will direct Personnel regarding treatment and the filing of a Workers' Compensation claim.

14. NOTICES; BILLING ADDRESS. Any notice rendered in connection with this Agreement shall be in writing and shall be effective when delivered personally (including by Federal Express, Express Mail, or similar courier service), if sent by facsimile, on the date of transmission with confirmed answer back, or five (5) days following deposit into the United States mail, certified mail, return receipt requested, first class postage prepaid, addressed to such Party at the address set forth below, with a copy to Susan Ball, General Counsel if notice is sent to Agency. Client agrees to promptly notify Agency in writing of any incidents that could lead to liability for Agency or its employees, including Personnel, and any threatened or pending litigation or claims arising out of or relating to the services provided hereunder.

If to Agency:		If to Client:	
Cross Country Staffing, Inc. 5201 Congress Avenue, Suite 100B Boca Raton, FL 33487		ENTER CLIENT LEGAL NAME	
		Enter Street Address	
		Enter City, State & Zip	
ATTENTION:	Contract Administration	ATTENTION :	Enter Name

PHONE	800.873.9182	PHONE	Enter Phone Number
		FAX	Enter Fax Name

If Client's billing address differs from Client's notification address, Agency will invoice Client's billing address as indicated below.

If to Client:	
Enter Client Legal Name	
Enter Street Address	
Enter City, State & Zip	
ATTENTION:	Enter Name
PHONE	Enter Phone Number
FAX	Enter Fax Name

15. CONFLICT OF INTEREST. Agency represents that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which conflicts in any manner or degree with Client or with the performance of the Services under this Agreement. Agency further represents that it shall not engage any person having such conflict of interest to perform services.

16. ACCESS TO RECORDS. In accordance with Federal regulations and for four (4) years after the termination of this Agreement for any reason, Agency agrees to make available to the Secretary, U.S. Dept. of Health and Human Services, the U.S. Comptroller General and their representatives, this Agreement and all books, documents and records necessary to certify the nature and extent of the costs of the services provided hereunder.

17. GOVERNING LAW. This Agreement shall be interpreted pursuant and subject to the laws of the State of California. The Parties agree that any action between the Parties must be brought in a court of competent jurisdiction in the State of California, Los Angeles County, where the Parties consent to jurisdiction.

18. ENTIRE AGREEMENT; MODIFICATIONS; WAIVERS; SUBCONTRACTING; SURVIVAL. This Agreement constitutes the entire agreement between the Parties with respect to the matters herein and supersedes all prior agreements, arrangements and understandings (whether oral or written) between the Parties. Other than as provided for Exhibit A, this Agreement shall not be modified, except in writing signed by both Parties expressly stating that it constitutes a modification of this Agreement. Exhibit A shall be updated annually in accordance with provisions of Exhibit A, and will be sent by Agency to Client contact. Such updated Exhibit A will be effective on the Effective Date. Failure of any Party to insist upon strict compliance with any of the terms of this Agreement in one or more instances shall not be deemed a waiver of its rights to require such compliance in the future. Agency may subcontract with any of its affiliates to provide staffing services, but will not subcontract to third parties without prior consent of Client (which shall not be unreasonably withheld or delayed). This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties hereto. If an action is brought to enforce or interpret this Agreement, the prevailing Party shall be entitled to recover its costs and reasonable attorneys' fees relating to such action. If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, such finding shall not invalidate the whole Agreement. Such term or provision shall be deemed modified only to the extent necessary by adjudication to render such term or provision valid, legal and enforceable. **Notwithstanding anything herein to the contrary, Sections 3, 6-7, 9-13, 15, and 18-21 shall survive the termination of this Agreement for any reason.**

19. ATTACHMENTS; COUNTERPARTS; FACSIMILE DELIVERY. Each Exhibit to this Agreement is hereby incorporated by reference in this Agreement as if such Exhibit was set out in full in the text of this Agreement. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of an executed

signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

20. CONSEQUENTIAL; SPECIAL DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES OR EXPENSES OR LOST PROFITS (REGARDLESS OF HOW CHARACTERIZED AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) UNDER OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, STATUTORY LIABILITY OR OTHERWISE).

IN WITNESS HEREOF, the Parties have caused this Agreement to be executed on the Effective Date of this Agreement.

**NEW MEDISCAN II, LLC DBA CROSS COUNTRY
EDUCATION**

Client: ENTER CLIENT NAME

SIGNATURE

SIGNATURE

PRINTED NAME

PRINTED NAME

TITLE

TITLE