

NOTICE OF MEETING & AGENDA

Monday, December 8, 2025

3:00 p.m. – 4:00 p.m.

**909 9th Street
Sacramento, CA 95814**

Remote Locations

San Luis Obispo County, Auditor-Controller-Treasurer-Tax Collector, 1055 Monterey St. Rm D-290, San Luis Obispo, CA 93408

Santa Barbara County Admin building, 105 E Anapamu Street, Santa Barbara, CA 93101, 4th floor – Room 413

Yolo County, 625 Court St., Room 103, Woodland, CA 95695

Zoom Access

Join Zoom Meeting

<https://zoom.us/j/94410766987?pwd=R9XNxaoi85fccB2eBiBRbxoPQQFkj0.1>

Meeting ID: 944 1076 6987

Passcode: 342811

PUBLIC COMMENT:

The Board welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Board. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

If you would like to receive Notices and Announcements from CCA, please send an email to subscribe@cca.ca.gov and a subscription form will be sent to you or fill out our online subscription form at <http://cca.ca.gov/subscribe/>

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Public Comment
4. NCS Update
5. 4th Round Board of State and Community Corrections Grants
6. Executive Director Update
7. Elect Secretary
8. Dissolution and Termination of Operations
 - a. Discussion of dissolution and outstanding liabilities
 - b. Resolution declaring certain property as surplus and authorizing sale, donation and/or disposal of said surplus property
 - c. Timeline options
9. Authorize Audit Scope of Work
10. Minutes of June 27, 2025, Board meeting
11. Adjourn



Agenda Item 4.
Data Update – NCS Analytics

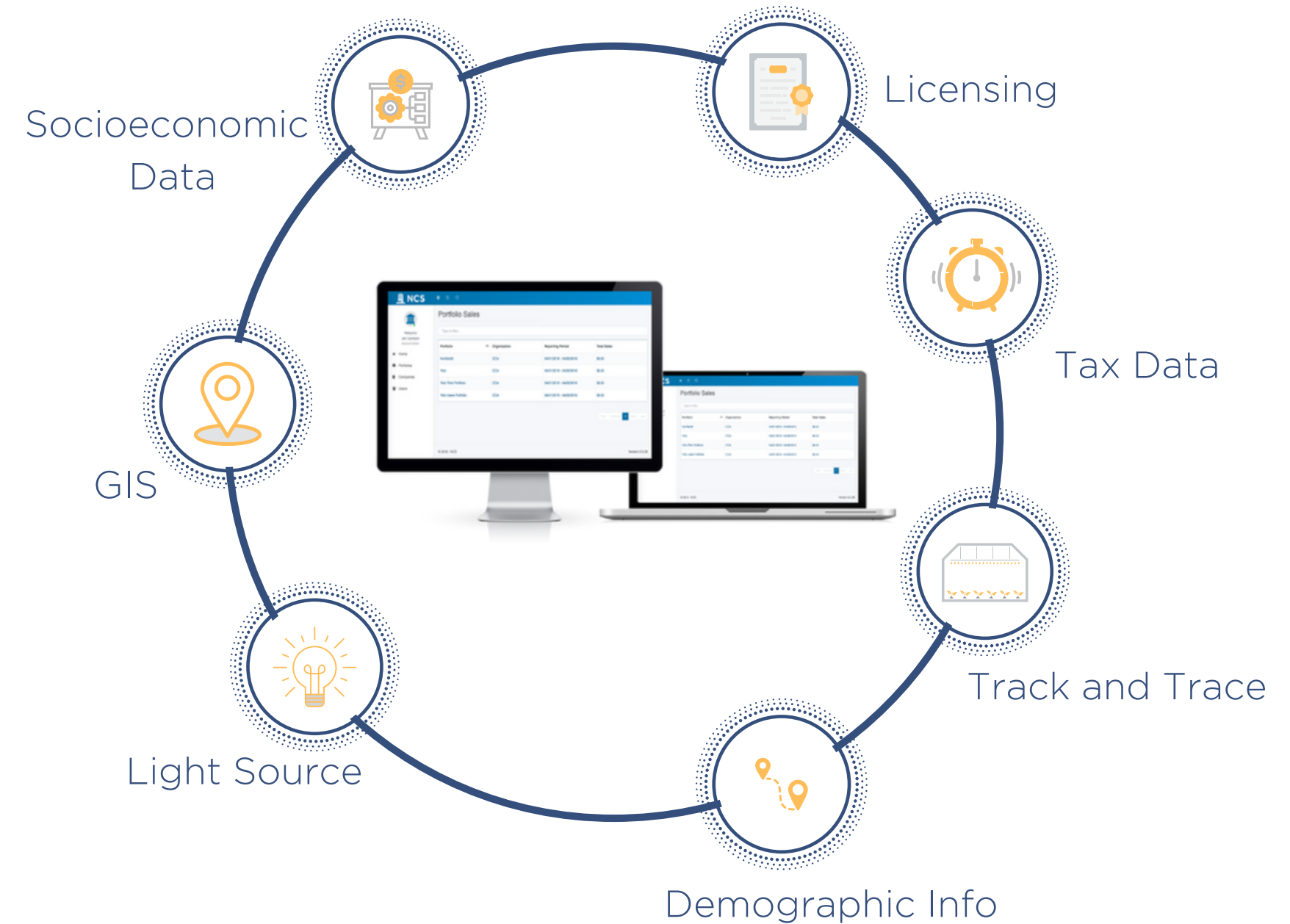


NCS

ANALYTICS FOR TAX COMPLIANCE

Advanced Audit and Tax Tools

- Giveaway/Discount Analysis
- Computed Inventory
- COGS Suite
 - Margin Analysis
 - Wholesale Pricing
 - Transfer Price Discrepancy



NCS Platform: Giveaway/Discount Analysis

Giveaway Percent: Vape Cartridges - Higher Than Anticipated

Description: This location discounted product type Vape Cartridges at an abnormally high rate.

Count: 1 **Tier:** 5 **Flagging Date:** 09/10/2025 **Month Occurred:** Sep 2025

Questions:

*Reviewer Note: NCS categorizes certain transactions as "giveaways" based on how they are reported and/or the recorded price point. These transactions are grouped and alerted on weekly. You can find the individual transactions using the "alert export" from the Snapshot Report by choosing "Giveaway Transaction" and selecting your preferred date range.

- Did you have a sale or special on this product type? How often do you offer giveaway incentives?
- Do you have a rewards program or promotions for customers? Tell me about the program.
- Do you have any online coupons listed on third-party websites?
- Do you limit the number of products that can be discounted?
- How do you decide which products to discount? (expiration dates, old inventory, standard weekly promotions, etc.)

Note:

[Add New Note](#)

| Note Created | Note | Created By |
|--------------------|------|------------|
| No data to display | | |
| 0 total | | |

| Start Date ▾ | End Date ▾ | Total Quantity Sold (Each) ▾ | Total Quantity Given Away (Each) ▾ | Total Dollar Value of Giveaways ▾ | Total Value of Product Sold ▾ | Total Dollar Value Expected ▾ | Giveaway Percent ▾ |
|--------------|------------|------------------------------|------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------|
| 9/3/2025 | 9/10/2025 | 1,057 | 990 | \$154.07 | \$1,017.39 | \$15,860.40 | 93.66% |
| 1 total | | | | | | | |

NCS Platform: Giveaway/Discount Analysis Con't

Alert Export .CSV

Select 1 Alert Report Type

Giveaway Transactions

Retail Sales

Package

Transfer

Select 1 Time Frame

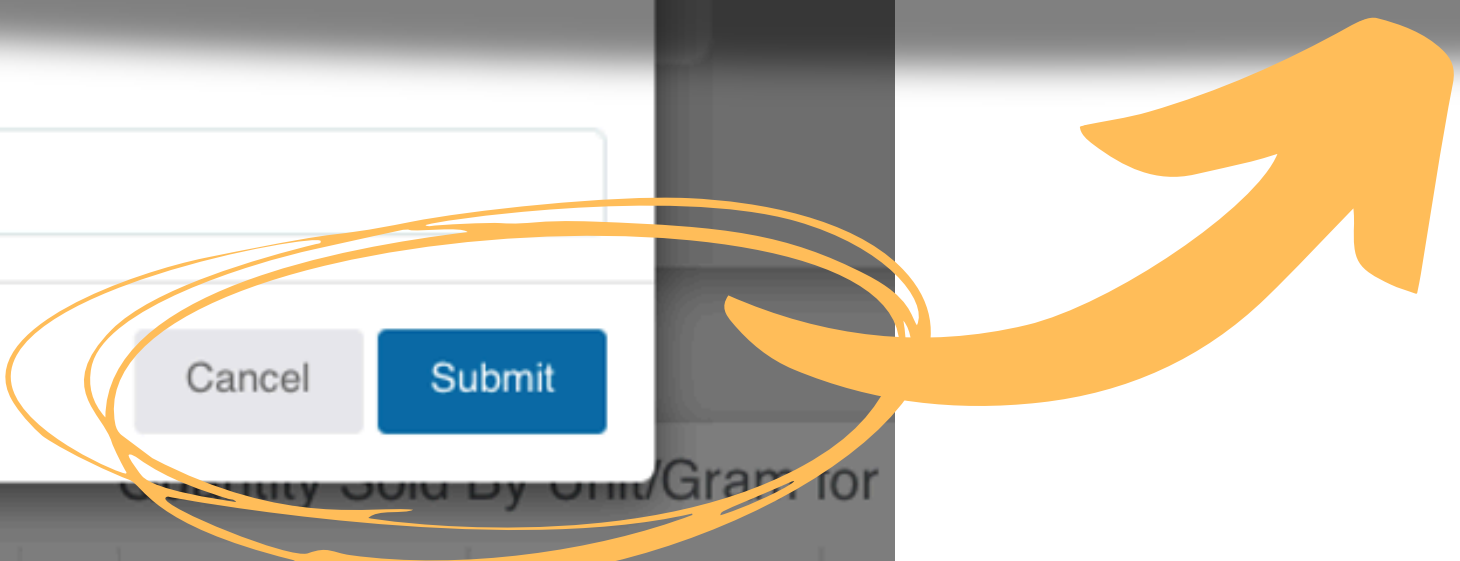
7-Day

30-Day

60-Day

[Click here to select a date range](#)

| ProductName | ReceiptNumber | SalesDateTime | UnitOfMeas | TotalPrice | TotalQuantit | ProductCategoryName | SaleType | PricePerUnit Tr |
|--|---------------|---------------|------------|------------|--------------|---------------------|------------|-----------------|
| Dime - Peach Ice-T - 2G COLLAB | 9/8/25 15:01 | 9/8/25 15:01 | Each | \$0.29 | 1 | Vape Cartridge | Storefront | \$0.29 |
| 2g All In One - Distillate - Baja Blast | 9/11/25 15:59 | 9/11/25 15:59 | Each | \$0.29 | 13 | Vape Cartridge | Storefront | \$0.02 |
| 2g All In One - Distillate - Pina Colada | 9/8/25 15:01 | 9/8/25 15:01 | Each | \$2.16 | 10 | Vape Cartridge | Storefront | \$0.22 |
| 2g All In One - Distillate - Now N Later | 9/9/25 19:48 | 9/9/25 19:48 | Each | \$3.03 | 14 | Vape Cartridge | Storefront | \$0.22 |
| 1g Distillate Cartridge Harlequin | 9/8/25 19:03 | 9/8/25 19:03 | Each | \$0.00 | 1 | Vape Cartridge | Storefront | \$0.00 |
| Dime - Balance Line - Mint OG | 9/8/25 15:01 | 9/8/25 15:01 | Each | \$0.30 | 1 | Vape Cartridge | Storefront | \$0.30 |
| 2g All In One - Distillate - Guava Melon | 9/8/25 13:15 | 9/8/25 13:15 | Each | \$2.16 | 10 | Vape Cartridge | Storefront | \$0.22 |
| 2g All In One - Distillate - Bomb Pop | 9/9/25 20:08 | 9/9/25 20:08 | Each | \$3.03 | 14 | Vape Cartridge | Storefront | \$0.22 |
| 2g All In One - Distillate - Now N Later | 9/9/25 21:42 | 9/9/25 21:42 | Each | \$2.16 | 10 | Vape Cartridge | Storefront | \$0.22 |
| 2g All In One - Distillate - Runtz | 9/8/25 11:09 | 9/8/25 11:09 | Each | \$2.59 | 12 | Vape Cartridge | Storefront | \$0.22 |
| 2g All In One - Distillate - Runtz | 9/8/25 15:18 | 9/8/25 15:18 | Each | \$1.73 | 8 | Vape Cartridge | Storefront | \$0.22 |



NCS Platform Alert: Computed Inventory

Computed Inventory Imbalance: Flower - Excess Product Detected

Description: Based on the starting quantity and transactions, an excess amount of product is being reported.

Count: 22 **Tier:** 3 **Flagging Date:** 09/25/2025 **Month Occurred:** Sep 2025

Questions:

*Reviewer Note: NCS creates an “expected quantity” for each package using the initial quantity based on the amount transferred. This provides a point of “dual control” for all accepted transfers. NCS then analyzed and adjusted the “expected quantity” of the package according to the transactions associated with it. At any point, if an imbalance occurs, an alert is generated.

- Did you make any inventory or package adjustments?
- Do you use a point-of-sale system? If yes, did you experience any issues with it?
- How often do you reconcile your inventory? What is that process?

Note:

[Add New Note](#)

| Note Created | Note | Created By |
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| No data to display | | |
| 0 total | | |

| Package Label | Packaged Date | Product Name | Product Category | Starting Quantity (g) | Transactions (g) | Expected Quantity (g) | Reported Quantity (g) | Difference (g) |
|---------------|---------------|------------------------------|------------------|-----------------------|------------------|-----------------------|-----------------------|----------------|
| 09/02/2025 | 09/02/2025 | Flower - Kitchen Sink - 3.5g | Flower & Buds | 112 | 56 | 56 | 168 | 112 |

NCS Platform COGS Suite: Margin Analysis

Cost of Goods Sold: Expenses Exceed Sales

Description: The cost of goods sold was greater than the sales reported by the licensee in the seed-to-sale tracking system.

Count: 3 **Tier:** 4 **Flagging Date:** 07/09/2025 **Month Occurred:** Jul 2025

- *Reviewer Note: COGS (Cost of Goods Sold) is defined for this alert as the dollar amount reported for incoming transfers to this location during the month. Some differences in COGS and sales are expected due to normal timing. As an example, an incoming wholesale transfer on the last day of the month would show for that month's "COGS," but the sales would likely not occur until the following month. It is recommended that you review sales activities in the Snapshot for additional context.
- *Reviewer Note: COGS may not include internal transfers and/or transfers that did not have an associated price. You can see detailed transfer information, including pricing, in "Data Exports: Transfers," which can be found on the Company Detail screen
- *Reviewer Note: Is this a new license? If so, are they building up their initial inventory?
- *Reviewer Note: If you received data via an API, please check to be sure this location has not received any Metrc API Key Alerts within the timeframe noted below.
- Are you preparing your inventory for a holiday or event? (Please refer to our Support Page article "Cannabis Holidays" for more information.)
- Tell me about how you manage your inventory? How often do you order product? How much inventory do you try to have on hand?

Note:

[Add New Note](#)

| Note Created | Note | Created By |
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| 0 total | | |

| Month | COGS (Cost of Goods Sold) | Total Sales | Excess Expenses |
|-------|---------------------------|-------------|-----------------|
| July | \$500,000 | \$120,000 | \$380,000 |

NCS Platform COGS Suite: Wholesale Pricing

Transfer Price Per Unit: Higher Than Anticipated

Description: This location transferred product type Flower & Buds at an abnormally high price per unit.

Count: 1 **Tier:** 4 **Flagging Date:** 09/17/2025 **Month Occurred:** Sep 2025

Questions:

- *Reviewer Note: Is there vertical integration between the transfer Locations?
- How would you describe the demand for the product(s) you are transferring?
- How would you describe your relationship(s) with the Location(s) you transfer product to?
- Is this a new product offering? If not a new product, has there been a change to an existing product offering?
- Please identify which of your products are specialty products. Describe why they are specialty products.

Note:

[Add New Note](#)

| Note Created | Note | Created By |
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| No data to display | | |
| 0 total | | |

| Shipping Date | Delivery Date | Recipient Facility License Number | Recipient Facility Name | Quantity Sold (g) | Total Price | Price Per Gram | Blue Box Price Per Gram |
|---------------|---------------|-----------------------------------|-------------------------|-------------------|-------------|----------------|-------------------------|
| 09/12/2025 | 09/16/2025 | A00123C | Main Street Goods | 1,362.16 | \$10,422.00 | \$7.65 | \$3.12 |

NCS Platform COGS Suite: Transfer Price Discrepancy

Transfer Price Discrepancy: Amount Not Expected

Description: Shipped and received dollar amounts do not match.

Count: 5 **Tier:** 3 **Flagging Date:** 09/24/2025 **Month Occurred:** Sep 2025

Questions:

- *Reviewer Note: Please note, the NCS Platform converts all weight based products to grams before evaluating. To review the original unit of measure, please use the Export Transfer Data feature located on the Company Details page.
- How would you describe your relationship(s) with the location(s) you received product from? Do you work with them regularly?
- Who is responsible for accepting and entering transfer manifest information?

Note:

[Add New Note](#)

| Note Created | Note | Created By |
|--------------------|------|------------|
| No data to display | | |
| 0 total | | |

| Shipper Facility License Number | Recipient Facility License Number | Manifest Number | Received Date | Product Category Name | Quantity Shipped | Shipped Unit of Measure | Shipper Wholesale Price | Recipient Wholesale Price |
|---------------------------------|-----------------------------------|-----------------|------------------------|-----------------------|------------------|-------------------------|-------------------------|---------------------------|
| Proc-4567 | Proc-0001 | 3383667 | 09/18/2025 08:01:10 PM | Flower & Buds | 4,068.36 | grams | \$3,811.91 | \$2,700.00 |
| Proc-4567 | Proc-0001 | 3383667 | 09/18/2025 08:01:10 PM | Flower & Buds | 3,161.18 | grams | \$2,961.91 | \$2,100.00 |
| Proc-4567 | Proc-0001 | 3381709 | 09/18/2025 08:01:58 PM | Flower & Buds | 6,789.91 | grams | \$6,361.91 | \$2,250.00 |
| Proc-4567 | Proc-0001 | 3381709 | 09/18/2025 08:01:58 PM | Flower & Buds | 3,628.74 | grams | \$3,400.00 | \$1,200.00 |
| Proc-4567 | Proc-0001 | 3383667 | 09/18/2025 08:01:10 PM | Flower & Buds | 3,063.00 | grams | \$2,848.59 | \$2,100.00 |



December 8, 2025

Agenda Item 5.

4th Round Board of State and Community Corrections (BSCC) Grants

Revenue and Taxation Code (RTC), Section 34019, subd. (f)(3)(C) states the BSCC will provide grant funds to local governments that assist with law enforcement, fire protection, or other local programming to address public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. BSCC is preparing to authorize the fourth round of the BSCC grants.

CCA has been contemplating whether several counties would like to apply in joint application for the 4th round grants if they were looking to procure the same services. The following exchange is between the CCA Executive Director, Stacie Frerichs and the BSCC technical advisor, Helene Zentner.

Hi Stacie. Thank you for your questions. Please see answers below. The Revenue & Taxation Code (RTC) has been updated again, so eligibility has changed for Cohort 4. I've provided the language that guides the funding below. Let me know if you have any questions.

~Helene

The Board of State and Community Corrections (BSCC) shall make grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act.

A local government shall be eligible for a grant only if it either: allows the retail sale of cannabis in storefronts or,

for jurisdictions with a population of 10,000 residents or less, allows cannabis delivery in the jurisdiction that serves both medicinal and adult-use consumers.

The BSCC shall prioritize grants to local governments whose grant application includes illicit cannabis enforcement.

The BSCC may award grants both competitively and based on a formula to provide consistent and ongoing funding for local governments. (Rev. & Tax. Code, § 34019, subd. (f)(3)(C).)



From: Stacie Frerichs <Stacie@csacfc.org>
Sent: Tuesday, November 18, 2025 12:24 PM
To: Zentner, Helene@BSCC <Helene.Zentner@bscc.ca.gov>
Subject: BSCC Prop 64 Grant Question

Hello Helene,

We are looking for some additional information about the upcoming Cohort 4 [BSCC Prop 64 grants](#), if you're able to point us in the right direction.

There is some interest from counties for strategies for sharing enforcement resources against illicit cannabis operations that could benefit from the BSCC grant program.

Questions:

1) Will joint applications from more than one county be allowed under BSCC's 4th Cohort, provided all of the counties are eligible and authorize storefront retail as required? **That will be a discussion topic posed to the ESC. We allowed joint applications in Cohorts 1 & 2, but for Cohort 3, eligible jurisdictions applied individually.**

2) If not, is it possible for a single county to apply for the grant and then subcontract or collaborate with other *eligible* counties? **In theory, yes. If funds are distributed to other jurisdictions through an MOU or Agreement, they would HAVE to be eligible also. A simple statement is "follow the dollar for being eligible for reimbursement."**

The RFP Instructions for the 3rd Cohort Round mentions that *"Before grants can be awarded funds and receive an executed contract under the Proposition 64 Public Health and Safety Grant Program, Cohort 3, the applying local jurisdiction (and all jurisdictions within a collaborative proposal) must assure they do not ban the following activities."*

While the RFP does not explicitly allow joint applications across more than one county, it does seem to allow subcontracting under the section above. **For Cohort 3, correct. However, since this is a new solicitation/RFP, that may or may not be specifically called out for Cohort 4, per ESC determination. I don't believe that the discussion would be to preclude partnerships with other eligible jurisdictions.**

Any insights you can provide will be very helpful as counties review this grant application next year. **Basically, the ESC will have to discuss almost all aspects of RFP (sans BSCC Administrative procedures), so until that happens, it could go 100 different ways.**



Agenda Item 6
12/08/25 Board Meeting
Prepared by Stacie Frerichs

Executive Director Update

Since our previous meeting, our team has been publishing newsclips and newsletters including legislative updates and exploring options for new partnerships and benefits for members and participants. We have met with Department of Cannabis Control and pursued remaining contacts to see if there is a need for the CCA services. There is no new partnership opportunities to discuss.

During the December Board Meeting, the Board will receive presentations from NCS Analytics and have agenda items to discuss the dissolution and termination of the CCA JPA.

Membership Updates

In September, we received notice that Humboldt was withdrawing from the CCA, which leaves us to three members, Santa Barbara, San Luis Obispo and Yolo. Since Humboldt held the Secretary position, the CCA Board should appoint a new Secretary so that we have Board Members in each of the officer roles, President, Treasurer, and Secretary.

Conflict of Interest Forms

Several Board members have not completed their Form 700, they are past due. Please email them to the CCA Executive Director.

Federal Ban on Intoxicating Hemp-derived Cannabinoids

Congress recently enacted a federal ban on intoxicating hemp-derived cannabinoids (e.g., delta-8 THC, delta-10 THC) which has caused a large disruption to the emerging hemp industry. The policy change was included in a federal appropriations package and closes the 2018 Farm Bill “loophole” by redefining hemp to exclude intoxicating extracts and converted cannabinoids. The federal change is expected to support California’s existing enforcement efforts against illicit intoxicating hemp products and new laws like AB 8 that provide regulatory clarify for hemp products. The policy change has a one-year delay on implementation.

<https://fox5sandiego.com/news/what-a-federal-ban-on-thc-infused-drinks-and-snacks-could-mean-for-the-hemp-industry/amp/>



December 8, 2025 Board Meeting

Agenda Item 8. Dissolution and Termination of Operations

In this agenda item, the Board will have the opportunity to weigh in on the dissolution of CCA, the intent for how they would like to resolve outstanding liabilities, consider a Resolution to Declare Surplus Property and understand the timing implications of either a December 31, 2025, or June 30, 2026, date to cease operations.

Agenda Item 8a:

- a. Discussion of dissolution and outstanding liabilities

Attached please find:

- Memorandum: Voluntary Termination of California Cannabis Authority, a California Joint Powers Authority from Attorney David McMurchie with McMurchie Law
- Contract with McMurchie Law for support for dissolution of the CCA

The outstanding liabilities as of December 31, 2025, are expected to be:

CSAC FC Initial Loan: \$501,232

CSAC FC Accounts Payable: \$270,000

Secretary of State: \$20,040

Turner Law Accounts Payable: \$43,500

Additionally we expect that CLA will cost up to \$30,000 for future audit work.

We also expect the cash on hand as of December 31, 2025 to be \$80,000.

Agenda Item 8b:

Please find the following resolution attached:

- Resolution declaring certain property as surplus and authorizing sale, donation and/or disposal of said surplus property

Agenda Item 8c

Please find the timeline details attached.



P.O. Box 1846, Folsom, CA 95630 [916] 214-2244

DAVID W. McMURCHIE
dmcmurchie@mcmurchie.com

November 17, 2025

Stacie Frerichs, Executive Director
California Cannabis Authority
1100 K Street, Suite 101
Sacramento, CA 95814

Re: Voluntary Termination of California Cannabis Authority, a California Joint Powers Authority

Dear Mr. Frerichs,

You have asked me to review the provisions of the California Joint Powers Act and the Joint Powers Agreement, Bylaws and other formation documents of the California Cannabis Authority (hereinafter the “CCA”) in order to provide an outline of the procedural steps required to be taken by the Board of Directors of the CCA to provide for voluntary termination of the JPA as there no longer appears to be consistent demand amongst Counties for the cannabis regulatory information program it has offered to members of CSAC since the formation of the JPA on January 12, 2018.

In order for the Board to effectuate a voluntary termination of the JPA it first must consider the disposition of the assets of CCA after all of its liabilities have been paid, and the method of payment or discharge of all of its liabilities. From our brief conversation I assume for the purposes of this memo that all of CCA’s major liabilities exceed the amount of its remaining assets, and that its remaining assets consist only of cash. The Joint Powers Agreement at Article VI Section 2 (b) (i)-(iii), provides that after payment of all CCA liabilities, all of the remaining funds, assets and properties, if any, shall be distributed “among the Participants according to their respective beneficial interests”.

Voluntary Termination of the CCA as a California JPA requires the following basic procedural steps:

1. **Resolution to Wind Up and Terminate the JPA.**

The JPA Agreement provides at Article VI that the JPA elects to terminate its existence by approval of a Resolution to Wind Up and Terminate the JPA by a majority vote of its Board of Directors, and, in addition, approval of such Resolution by not less than 2/3 of its Member Counties (four (4) of the current five (5) Members). Therefore the first step is for the Board of Directors to call, agendaize and hold a special meeting pursuant to Brown Act procedures to adopt a Resolution to Wind Up and Terminate the JPA. This Resolution states the intent of the Board to wind up and terminate the operations of the JPA; authorizes and directs specific actions to be taken such as preparation and filing all final audits, authorizing payment or negotiation of all known debts and liabilities of the CCA, identifying all CCA assets, and distributing all assets remaining after payment of all liabilities to the Participants in the CCA's programs, provide notice to creditors of the termination if some liabilities remain unpaid; and authorizing the preparation of and filing of a Certificate of Election to Wind Up and Terminate the JPA. I can provide a form for this Resolution.

2. **Certificate of Election to Wind Up and Dissolve.**

The JPA prepares a Certificate of Election to Wind Up and Terminate the JPA to be included in the JPA's official records as evidence of the adoption of the Resolution to Wind Up and Terminate by both a majority of the Board of Directors and not less than 2/3 of the existing Members. There is no statutory requirement to file this Certificate with the Secretary of State. I can provide a form for this Certificate.

3. **Notice To Creditors**

This is only necessary if CCA has creditors in which the amount of the claim is uncertain, or against which CCA has a legitimate defense. This Notice would not be required for CCA's outstanding long term liability for formation costs to CSAC Finance Corporation. This Notice would be necessary if the Board determines that it wants to contest the current liability for administrative fees owed to the former Executive Director. This procedure allows known creditor claims to be barred if the creditor, after receiving notice, does not pursue the claim within a specified period of time.

4. **Distribution of Assets**

After the Board determines that all known debts and liabilities are paid or satisfied, all remaining JPA assets, if any, must be distributed. Article VI of the JPA Agreement provides that distribution of the remaining assets shall be to each Program Participant in accordance with each Member's beneficial interest in the JPA. That beneficial interest would likely be calculated based on the proportional amount of all fees and assessments paid by each Member relative to

the total amount of all fees and assessments paid by all Members over the course of the JPA's existence.

5. Certificate of Termination

After completion of the steps above, a majority of the Directors must sign a Certificate of Termination which must be filed with the Official Records of the JPA pursuant to Article VI Section 2(c) of the JPA Agreement. The Secretary of State has no requirement that this Certificate be filed with them, although there is a requirement that each JPA's Joint Powers Agreement and each amendment thereto be filed with the Secretary of State. I recommend that we attempt to file the Certificate with the Secretary of State to inform them that all JPA liabilities have been either paid or discharged, that all JPA assets have been distributed as described above, and that CCA no longer exists as a California JPA. If they reject the Certificate for filing, then so be it.

Should you have any questions, comments or concerns regarding the foregoing please do not hesitate to contact me.

MCMURCHIE LAW FIRM

David W. McMurchie

LEGAL SERVICES AGREEMENT

1. IDENTIFICATION OF PARTIES

This agreement, executed in duplicate with each party receiving an executed original, is made between McMurchie Law Firm hereinafter referred to as Law Firm, and California Cannabis Authority, a California Joint Powers Authority, hereinafter referred to as Client.

This agreement is required by California Business and Professions Code Section 6148 and is intended to fulfill the requirements of that section.

2. LEGAL SERVICES TO BE PROVIDED

The legal services to be provided by Law Firm to Client are as follows:

3. RESPONSIBILITIES OF LAW FIRM AND CLIENT

Law Firm will perform the legal services called for under this agreement, keep Client informed of progress and developments, and respond promptly to Client inquiries and communications. Client will be truthful and cooperative with Law Firm, keep Law Firm reasonably informed of developments and of Client's address, telephone number, and whereabouts, and timely make any payments required by this agreement.

4. ATTORNEY SERVICES AND FEES

Client will pay Law Firm for attorney fees for the legal services provided under this agreement at the rate of \$300 per hour. Law Firm will charge in increments of one-tenth of an hour, rounded off for each particular activity to the nearest one-tenth of an hour. The minimum time charged for any particular activity will be one-tenth of an hour. Some activities such as telephone calls (.1) and letters (.1) have a minimum professional charge regardless of the actual time spent.

Law Firm will charge for all activities undertaken in providing legal services to Client under this agreement, including, but not limited to, the following: conferences, correspondence and legal documents (review and preparation), legal research, and telephone conversations.

If, while this agreement is in effect, Law Firm increases the hourly rates being charged to client generally for attorney fees, that increase may be applied to fees incurred under this agreement, but only with respect to services provided 30 days or more after written notice of the increase is mailed to Client. If Client chooses not to consent to the increased rates, Client may terminate Law Firm's services under this agreement by written notice effective when received by Law Firm, provided Client executes and returns a substitution of attorneys form immediately on its receipt from Law Firm if Law Firm is Client's attorney of record in any proceeding.

5. CLIENT'S OBLIGATION TO PAY FEES AND COSTS

Client will pay all costs in connection with Law Firm's representation of Client under this agreement. Costs will be advanced by Law Firm and then billed to Client. Costs include photocopy, facsimile and express delivery expenses, expert fees and expenses, investigation

costs, long distance telephone charges, messenger service fees, and process server fees among others.

Law Firm will send client periodic statements indicating attorney fees and costs incurred and their basis and any current balance owed. If no attorney fees or costs are incurred for a particular period, or if they are minimal, the statement may be held and combined with the statement for the following period. Any balance will be paid in full within 30 days after the statement is mailed. Failure to pay fees or costs when due shall be reason for attorneys to cease representation of Client.

6. **DISCHARGE/WITHDRAWAL OF ATTORNEY**

Client may discharge Law Firm at any time by written notice effective when received by Law Firm. Unless specifically agreed by both Law Firm and Client in writing, Law Firm will provide no further services and advance no further costs on the Client's behalf after receipt of such notice. If, upon such discharge, Law Firm is the Client's attorney of record in any proceeding, Client will execute and return a Substitution of Attorney form immediately upon its receipt from Law Firm.

Law Firm may withdraw from representing Client at any time but shall notify Client of its withdrawal in sufficient time for Client to obtain other counsel. In the event of such withdrawal from representation by Law Firm, Client agrees to execute and return to Law Firm a Substitution of Attorney form immediately upon its presentation to Client by Law Firm.

It is specifically recognized, agreed and understood by Law Firm and Client that any refusal by the Client to cooperate with Law Firm during the course of this representation justifies withdrawal of Law Firm from the representation of Client.

7. **ARBITRATION OF FEE DISPUTE**

If a dispute arises between Law Firm and Client regarding attorney's fees under this agreement and Law Firm files suit in any Court other than Small Claims Court, Client will have the right to stay that suit by timely electing to arbitrate the dispute under Business and Professions Code Section 6200-6206, in which event Law Firm must submit the matter to arbitration.

8. **EFFECTIVE DATE OF THE AGREEMENT**

The effective date of this agreement will be the date when it is executed by the last of the parties to do so. Services performed prior to the effective date by Law Firm shall be governed by the terms and conditions of this agreement as well.

9. **DISCLAIMER OF GUARANTY**

Although attorney may offer an opinion about possible results regarding the subject matter of this agreement, attorney cannot guaranty any particular result. Client acknowledges that attorney has made no promises about the outcome and that any opinion offered by attorney in the future will not constitute a guaranty.

10. **ERRORS AND OMISSION COVERAGE**

Law Firm is insured for errors and omissions coverage.

11. **SEVERABILITY IN THE EVENT OF PARTIAL INVALIDITY**

If any provision of this agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire agreement will be severable and remain in effect.

12. **SETTLEMENT**

Law Firm will not settle the Client's claims or causes of action without the approval of Client, who will have the absolute right to accept or reject any settlement. Law Firm will notify Client promptly of the terms of any settlement offer received by Law Firm.

13. **POTENTIAL LIABILITY FOR LITIGATION COSTS OF ADVERSE PARTY**

It is agreed and understood by Client that in the event litigation is initiated and any adverse party is determined to be a prevailing party, under the law, that Client may be held liable to pay any and all litigation costs or expenses of any adverse party as are awarded by the Court.

14. **ENTIRE AGREEMENT**

This agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties.

CALIFORNIA CANNABIS AUTHORITY

Dated:

By: _____

McMURCHIE LAW FIRM

Dated:

By: _____
DAVID W. McMURCHIE

RESOLUTION OF THE BOARD OF DIRECTORS OF CALIFORNIA CANNABIS AUTHORITY
JOINT POWERS AUTHORITY DECLARING CERTAIN PERSONAL PROPERTY AS SURPLUS
AND AUTHORIZING SALE, DONATION AND/OR DISPOSAL OF SAID SURPLUS PERSONAL
PROPERTY

WHEREAS, California Cannabis Authority Joint Powers Authority (hereinafter, “CCA”) is a Joint Powers Authority duly organized under Title I, Division 7, Chapter 5, Article I (Section 6500 et seq.) of the Government Code of the State of California, which authorizes the joint exercise by two or more public agencies of any power common to them; and

WHEREAS, the Executive Director has recommended, and the CCA Board of Directors (“Board”) has determined, that certain surplus personal property identified on the attached Exhibit 1 (the “Surplus Personal Property”) is no longer needed and unsatisfactory and/or unsuitable for CCA’s use; and

WHEREAS, CCA and its staff have determined that the Surplus Personal Property has a value of less than \$2,500; and

WHEREAS, applicable law, the CCA’s Agreement, and CCA’s Bylaws, all allow for private sale without advertisement of the Surplus Personal Property items not exceeding \$2,500 in value, if approved through a unanimous decision of the Board; and

WHEREAS, applicable law, the CCA’s Agreement, and the CCA’s Bylaws, all allow donations to charitable organizations or disposal of the Surplus Personal Property if the Surplus Personal Property is of insufficient value to defray costs of arranging a sale and this donation/disposal is approved through a unanimous decision of the Board.

NOW, THEREFORE, the Board of Directors of the CCA Joint Powers Authority hereby finds, determines, declares, and resolves that:

1. The foregoing recitals are true and correct.
2. The Board hereby authorizes such a sale, donation, and/or disposal of the Surplus Personal Property, under the direction of the Executive Director or her designee.
3. The Board, and or the Executive Director or her designee, are permitted to take any action necessary to effectuate the intent of this Resolution.

PASSED AND ADOPTED by the Board of Directors of CCA Joint Powers Authority this 8th day of December 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I, Secretary of CCA Joint Powers Authority Board of Directors, hereby certify that the above and foregoing Resolution was duly and regularly adopted by said Board at the meeting on the 8th day of December, by a roll call vote. Secretary of the Board of Directors

Exhibit 1

Surplus Personal Property

Projector



8. Dissolution and Termination of Operations

c. Timeline options

The anticipated steps for Dissolution and Termination of Operations are as follows:

If the Board wants to terminate operations as of **December 31, 2025**, an approximate timeline would be:

Week of December 15: CCA Board Meeting to adopt formal resolution to stop operations, prepare Certificate of Election to Wind Up and Terminate the JPA. Cancel consulting contracts and delist as a lobbyist employer. Authorize 6 month liquidation audit, in addition to the 2 years of audits that are being considered today.

December 15-January 15: Wind up contracts, delist as a lobbyist employer, cancel services, notice creditors and work to resolve liabilities, including notice to creditors.

January – March 2026: CLA conducts GAAP audit for Fiscal Year Ended June 30, 2024, and 2025, and 6 months (July 1, 2025 – December 31, 2025) liquidation audit.

March – April 2026 or after CLA completes audits – Final CCA Board Meeting to accept liquidation audit and declare JPA dissolved, authorize Certificate of Determination.

If the Board wants to terminate operations as of **June 30, 2026**, an approximate timeline would be:

Today: Authorize GAAP Audits for Fiscal Year Ended June 30, 2024 and 2025, direct staff to cancel Public House Consulting Contract and delist as a lobbyist employer.

March – June 2026: CCA Board Meeting to adopt formal resolution to stop operations, prepare Certificate of Election to Wind Up and Terminate the JPA and accept GAAP Audits for Fiscal Year Ended June 30, 2024 and 2025.

Wind up contracts, cancel services, notice creditors and work to resolve liability,

July - September – CLA conducts liquidation audit for Fiscal Year ended June 30, 2026.

September – December 2026 and after CLA conducts liquidation audit – Final CCA Board Meeting to accept liquidation audit and declare JPA dissolved, authorize Certificate of Determination.



December 8, 2025

Agenda Item 9. Authorize Audit Scope of Work



Statement of Work - Audit Services

November 4, 2025

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated August 11, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and California Cannabis Authority ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the two years ended June 30, 2024 and June 30, 2025.

Brianne Wiese, Principal is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the governmental activities and the major fund, which collectively comprise the basic financial statements of California Cannabis Authority, and the related notes to the financial statements as of and for the two years ended June 30, 2024 and June 30, 2025.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Budgetary comparison schedules.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards

generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI 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.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are 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 opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting 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 results 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.

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 exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk of material misstatement as part of our audit planning:

- Management's ability to override of controls is considered a fraud risk

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 waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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.

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 on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements 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 and RSI 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. 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 and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (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 providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. 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 and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or 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. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

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 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 confidential or sensitive information, copies of our reports are to be made available for public inspection.

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 State Controller, 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 or electronic versions 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 State Controller. If we are aware that a federal or state 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.

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 audit engagement ends 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 SOW 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/.

Fees

Our professional fees are outlined in the table below:

| Service | Fee |
|---------------------------|------------|
| Financial Statement Audit | \$16,000 |

We will also bill for expenses including travel, internal and administrative charges, and a technology and client support fee of five (5%) of all professional fees billed which is included in our not to exceed fees listed above. Our fee is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

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 SOW 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.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW 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

Response:

This letter correctly sets forth the understanding of California Cannabis Authority.

CLA
CliftonLarsonAllen LLP

Brianne Wiese

Brianne Wiese, Principal

SIGNED 11/4/2025, 8:30:03 AM PST

Client
California Cannabis Authority

SIGN:

Tom Haynes

DATE:



December 8, 2025

Agenda Item 10. Minutes of June 27, 2025 Board Meeting (Action)



CCA Board Meeting
Via Video / Teleconference Call/In-Person
June 27, 2025
MINUTES

June 27, 2025 via Video / Teleconference Call/In Person - Meeting called to order at 9:04am by Tom Haynes.

1. Roll Call

- X Tom Haynes, Chief Financial Officer, Yolo County, CCA President
- X Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Brittany Odermann, Deputy CEO Santa Barbara County
Rex Bohn, Supervisor Humboldt County, CCA Secretary

Others:

Stacie Frerichs, Executive Director
Justin Cooley, San Luis Obispo
Adam Crabtree, NCS Analytics
Tim Townsend, Townsend Communications
Cara Martinson, Public House Consulting
Christy Higgins, CSAC FC
Alan Fernandes, CSAC FC
Robbie Bendorf, CSAC FC

2. Approval of Agenda

Agenda for June 27, 2025 was presented and reviewed. Motion to approve by Brittany Odermann with second by Jim Hamilton. Roll call vote was unanimous.

3. California Legislative Update – Public House Consulting, Cara Martinson

Cara advised the Legislature has been very busy trying to approve the State Budget by July 1, 2025. A housing proposal has been a central controversy. The Governor has indicated that he would sign a bill postponing the automatic increase in the cannabis excise tax. Cannabis advocates are busy trying to make sure this happens. There is only a few days before it is going to go into effect and a postponement after it goes into effect is more messy. Public House bill report reviewed and discussed.

4. Data Update – NCS Analytics, Adam Crabtree

Adam presented the new visual dashboard in the platform that will be rolled out in about 2 weeks. Also presented was the new modeling system being created in conjunction with Wharton School of Business that creates a risk score that gives regulators more confidence in their enforcement time is spent on the right targets. The counties using NCS analytics now have access to wholesale pricing information which provides pricing between retailers and distributors and allows for auditing.

5. Recap Semi-Annual Participant Forum – Townsend Consulting, Tim Townsend

Tim advised the first webinar of the year regarding intoxicating hemp was held. It was very informative and helpful for those attending. There was interest and attendance from several different jurisdictions in the counties. Possible topic for the next webinar is Economic Development and input from board was requested for additional topics.

6. Organizational Items

A. Executive Director Update, Stacie Frerichs

Stacie presented and discussed the Executive Director update.

B. Budget Fiscal Year 2025-26, Stacie Frerichs

Stacie presented and discussed the current financial status as well as the Fiscal Year 2025-26 budget. Motion to approve the base scenario of the budget by Jim Hamilton with second by Tom Haynes. Roll call vote was unanimous.

C. Minutes of December 6, 2024 Board Meeting

Minutes from BOD Meeting – December 6, 2024 were presented and reviewed. Motion to approve by Brittany Odermann with second by Jim Hamilton. Roll call vote was unanimous.

D. Contracts

i. Consulting Services Agreement, Townsend Consulting LLC

ii. Agreement For Services of Independent Contractor, Public House Consulting

Motion by Brittany Odermann for approval of both contracts with second by Jim Hamilton. Roll call vote was unanimous.

7. Public Comment

No Public comment.

8. Adjourn at 10:01am