

Business Plan

Joint Agreement: Ladybug Crossing and Sutherland Public Schools

Prepared 2022

By:

Mr. Bristol, Superintendent

Mrs. Pavelka, Elementary Principal

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Executive Summary

Business Overview

Child care sites across the country are facing immense challenges hiring and retaining staff leaving parents struggling to find child care. Sutherland Public Schools is no different. Without adequate child care facilities we run a real risk of losing teachers who will be forced to stay home and take care of their little ones. Currently, we have 20- infant to toddler, 14-3-5 year olds and 12-after school families that have shown an interest in attending Ladybug Crossing and Sutherlands Schools Day care.

Ladybug Crossing is a locally established daycare and preschool located in North Platte that would like to partner with Sutherland Public Schools to provide daycare in our school. Ladybug Crossing Daycare will offer a variety of services that range in age from infants to 5 year olds. The daycare will foster a nurturing, loving, safe environment where a child will feel comfortable while learning foundational skills that will enable them to have a successful cognitive, behavioral, and emotionally successful childhood and will transition them into kindergarten.

Ladybug Crossing Daycare's teaching staff are all highly-qualified and receive the latest in training and development. The daycare offers competitive tuition rates. The Sutherland facility will have a secure-access buzz in system with video monitoring to ensure that only verified parents and visitors are allowed to enter the building.

Ladybug Crossing Daycare's curriculum is developed with the latest innovative learning methods and techniques so that each child will receive proper foundational skills taught in a positive manner while providing a fun and enriching learning environment.

Product Offering

The following are the services to be offered by Ladybug Crossing Daycare:

- Infant class (2 months – 2 years old)
- Toddler class (2 to 3 years old)
- Preschool class (3 to 4 years old)
- Pre-kindergarten class (4 to 5 years old)
- Before and After School program for elementary age children.
- Summer camps

Customer Focus

Ladybug Crossing Daycare will focus on families living in and around Sutherland that are either starting out or have young children. Through word of mouth and advertising they will provide working parents with another option in daycare.

Management Team

Ladybug Crossing Daycare is owned by Chantel Tonkinson who is the program coordinator, and onsite director will be hired to run the day to day operations.

Success Factors

Ladybug Crossing Daycare is primed for success by offering the following competitive advantages:

- Friendly, warm, and safe environment for children.
- All staff/teachers are early education trained, and experienced.
- Menus are developed with the highest regard for nutritional value at a young age. All meals served will be nutritionally well-rounded, fresh, and prepared with the safest cleanliness standards by the cafeteria staff at Sutherland.
- Camera video system for staff and student safety
- Security-controlled facility access. Only known parents and visitors are given access through a secure buzz in system.
- Age-appropriate playgrounds with the safest playground equipment.

Financial Highlights

Ladybug Crossing Daycare Upstart Expenses:

- Dishwasher \$350
- Daycare supplies (toys, books, cots, pillows, etc.): \$5,000
- Technology costs (camera, and secure-access locks) \$6500
- Flooring \$2200

Industry Analysis

Employer-sponsored child care is expected to become more popular as employers increasingly recognize the benefits of onsite daycare. Onsite daycares have shown an increase in staff retention and productivity.

Projected Staff and Community Participation

○

	Infant - Toddler	3 yrs - 5 yrs	After School
Staff Member #1			2
Staff Member #2	1	1	
Staff Member #3	1	1	1
Staff Member #4	1	1	
Staff Member #5	2		
Staff Member #6			1
Staff Member #7	1	2	
Staff Member #8	1	1	
Staff Member #9	1		1
Staff Member #10	1		
Staff Member #11	1		
Staff Member #12	1		
Staff Member #13	1		
Community Member #1	1		
Community Member #2	1		3
Community Member #3	1		1
Community Member #4	1		
Community Member #5	1	1	
Community Member #6		1	
Community Member #7	1		
Community Member #8	2		
Community Member #9	1		
Community Member #10		1	1

Community Member #11		2	
Community Member #12		1	2
Community Member #13	2	1	
Community Member #14		1	
Total	22	14	12

ProForma

		Revenue	Expenses	
Square Footage		Facility Lease		
32' x 64' @ \$.25	Month 1	\$512	Est. Lock System	\$2,200
	Month 2	\$512	Est. Cameras	\$1,900
	Month 3	\$512		
	Month 4	\$512	Summer Kitchen Help	
	Month 5	\$512	Days 64 @ \$16 hr 3hrs	\$3,168
	Month 6	\$512		
	Month 7	\$512	Tile x 2-rooms	\$2,200
	Month 8	\$512	Dishwasher	\$350
	Month 9	\$512		
	Month 10	\$512	General Supplies	\$2,000
	Month 11	\$512		
	Month 12	\$512		
	Total	\$6,144	Total	\$11,818
Five Year Projected Revenue vs. Expense				
	Revenue	Expense	Total/Difference	
Year 1	\$6,144	\$11,818	-\$5,674	
Year 2	\$6,144	\$3,168	\$2,976	

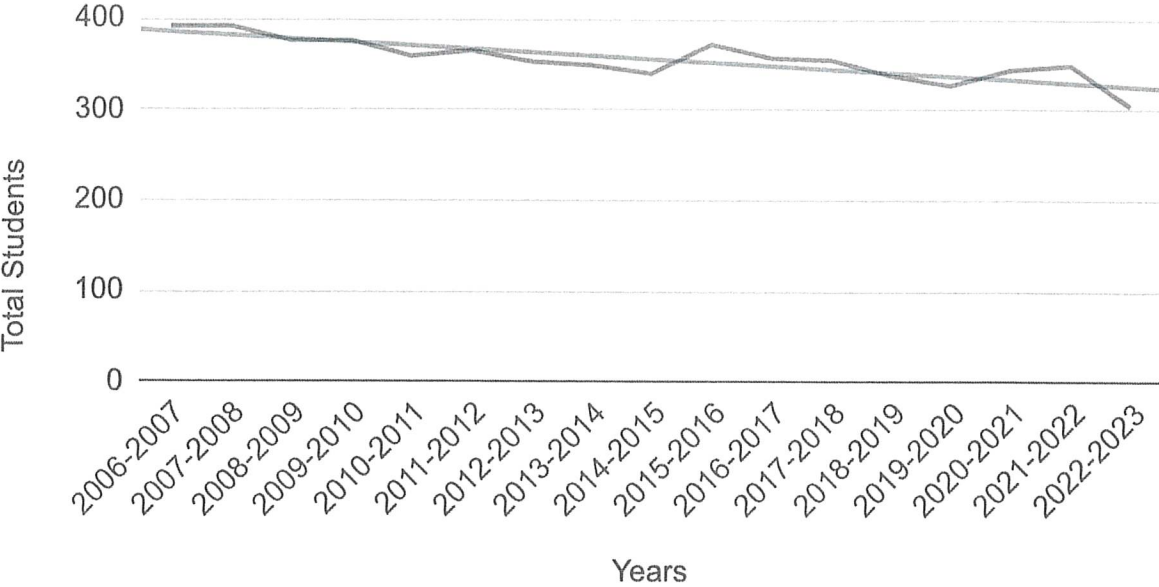
Year 3	\$6,144	\$3,168	\$2,976
Year 4	\$6,144	\$3,168	\$2,976
Year 5	\$6,144	\$3,168	\$2,976
			\$6,230

Kitchen Help Summers			
Hours/Day	3		
Hourly Rate		\$16.00	
Days/Summer			66
		Total	\$3,168

Intangible Revenue		
Required Teacher Trainings	LTRS	\$2,000
	Bridges	\$5,000
	PBIS	\$1,000
	MTSS	\$800
	Amplify	\$2,000
	Diebels	\$1,000
	Total	\$11,800

The programs listed above are needed trainings for new hires in order to deliver our curriculum effectively and with fidelity. *The costs are estimated from previous trainings including stipends.*

Sutherland Public Historical Enrollment 2006-2023



Years	Total Students
2006-2007	392
2007-2008	392
2008-2009	376
2009-2010	376
2010-2011	359
2011-2012	365
2012-2013	353
2013-2014	349
2014-2015	340
2015-2016	372

2016-2017	357
2017-2018	355
2018-2019	338
2019-2020	327
2020-2021	344
2021-2022	349
2022-2023	304

Questions Board Asked During October Board Meeting Regarding Potential Daycare:

- Question #1 - Is there a need for childcare in Sutherland? Based on the survey results
 - Infant - Toddler - 22 Potential Children (Max of 12)
 - 3 - 5 Years Old - 14 Potential Children (Max of 18)
 - After School Care - 12 Potential Children

- Question #2 - Tile Estimate
 - \$1,100 per classroom = \$2,200 total
- Question #3 - Room Arrangements
 - The current Kindergarten classrooms (2) will be the daycare.
 - Kindergarten will shift to the current 4th grade classrooms (2).
 - 4th grade will move into the current Paradise Room (across from Mrs. Schow's current classroom).
 - Seniors currently in Paradise Room will use an Honors Period where they will complete college classes at home. Any 10th-11th grade students will complete their Independent Studies in the library.
 - The Elementary Paradise Room will shift to the current Speech Room.
 - The Speech Room will go back to where it originally was - Above the Wrestling Room with Dr. McConnell (Dr. McConnell uses this space on Fridays and Speech will use the space on Tuesdays and Thursdays).
 - 4th grade will still have access to intervention/reading group rooms, so NO ONE will lose classroom space for interventions nor small groups.
- Question #4 - Parking for Daycare Staff
 - The Methodist Church is ok with employees parking on their lot.
- Question #5 - Meals during Summer
 - Will be provided by Sutherland Public Schools
 - 1 staff member has volunteered to take this on for the daycare
- Question #6 - Lease
 - Lease has been worked on by both Mr. Bristol and Ladybug Crossing.

- Question #7 - Tabletop Dishwasher
 - \$350
 - Will reach 192 degrees → requirement is to reach 171 degrees
- Question #8 - Doorbell/Security
 - Currently Working on with Hinton's Lock and Alarm
- Question #9 - Camera System
 - DVR System
 - Currently being worked on by Mr. Maxcy

**FACILITY LEASE AGREEMENT
SUTHERLAND PUBLIC SCHOOLS
AND
LADYBUG CROSSING EARLY LEARNING CENTER**

THIS AGREEMENT is made and entered into by and between the Board of Education of Sutherland Public Schools No. 56-0055, (referred to respectively herein as the "Board" and the "District") and Ladybug Crossing Early Learning Center, Co., a Nebraska Corporation (referred to herein as "Ladybug Crossing").

WHEREAS, the Board considers it to be a benefit to the District staff and students to have high quality early childhood care and educational opportunities available to children of the District; and

WHEREAS, the Board has the legal authority to permit use, upon such terms and conditions as it determines, of any District property at times when it is not needed for District use.

WHEREAS, the Board believes that the presence of Ladybug Crossing as a private lessee in its facilities and the availability of those services will make the District more attractive to parents and employees, will enhance the enrollment and attendance of the District, will improve outcomes of students who enroll in the District, and will improve the viability of the District and community;

WHEREAS, the Board demands quality of its students and staff within its own program and believes quality is just as important in childhood care and education opportunities for students not yet attending the district;

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WHEREAS, the Board demands quality of its students and staff within its own program and believes quality is just as important in childhood care and education opportunities for students not yet attending the district;

WHEREAS, Ladybug Crossing has a demonstrated history of high-quality staff, low staff turnover, and participating in programs and training that ensure quality, such as Step Up to Quality, Pyramid Training, and North Platte Community for Kids, which are consistent with the Board’s objectives.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by the parties as follows:

- 1. Leased Premises.** The District leases the following described property, and use of other property and resources specifically described in other sections of this Agreement, to Ladybug Crossing: classroom space consisting of 2 classrooms in the Sutherland Elementary facility, the north gymnasium, the south gymnasium, the wrestling room, or

the commons. These classrooms are in close proximity to restroom facilities, and the non-conflicting use of the gymnasium/lunchroom space, playground, and other property specifically enumerated herein (the “Leased Premises”). A map of Sutherland Public Schools is attached here to as “Attachment A” and is highlighted to show the Leased Premises, and is hereby incorporated herein by this reference.

- 2. Use of Leased Premises.** Ladybug Crossing shall use the Leased Premises for the operation of its 6-week to 12-year-old childcare and early learning programs and activities. Ladybug Crossing shall not use the Leased Premises for any other purpose without the prior consent of the Board.
- 3. Use of Leased Premises and Playground.** Ladybug Crossing may use the Leased Premises on the terms and conditions specified herein. Ladybug Crossing understands and agrees that it will not exercise the rights granted to it by the District in such a way as to interfere with or adversely affect (1) any other property of the District or (2) the operation and control of any of the programs of the District. Ladybug Crossing will not permit the Leased Premises to be used in any manner contrary to the educational interests of the District or any applicable law.
- 4. Priority for District Personnel.** Ladybug Crossing shall give priority to District personnel in enrolling children by saving at minimum 12 available spaces in its programs for children of District staff members.
- 5. Priority in the Event of Conflict.** If there is a conflict in the scheduling or use of the Leased Premises or any other District Facilities Ladybug Crossing wishes to use, the District shall have priority regarding their use.
- 6. Control and Supervision.** Ladybug Crossing shall be responsible for the supervision and safety of the children it serves, its employees, and the parents and other persons who visit the Leased Premises for Ladybug Crossing purposes. Ladybug Crossing shall exercise that degree of control and supervision as is necessary for the effective management and use of the Leased Premises. Such control and supervision may include the enforcement of rules and regulations for the safety of persons who visit or use the Leased Premises. A copy of all Ladybug Crossing rules and regulations shall be provided to the District at all times during the term of this Agreement, and Ladybug Crossing agrees to provide all changes to rules and regulations to the District within 7 days of the effective date of the change(s).
- 7. Furniture, Equipment and Supplies.** The District will provide the Leased Premises to Ladybug Crossing so that it is ready to use at the beginning of the leased term. The District will ensure that the Leased Premises have the appropriate paint, flooring, fencing,

and other physical requirements for Ladybug Crossing's uses of the premises, the cost by which to be paid by the District unless the parties agree otherwise. Ladybug Crossing and its owners, representatives, and agents will collaborate with assigned District staff to ensure the Leased Premises are ready to use. Ladybug Crossing will supply all other furniture, equipment, and supplies needed for its uses of the Leased Premises.

- 8. Use of Leased Premises by Other Persons or Organizations.** Ladybug Crossing may not allow other parties not subject to this Agreement to use the Leased Premises. Ladybug Crossing will abide by District policies, regulations, rules, and will require any employees, representatives, agents, and contractors using the Leased Premises to comply with such policies, regulations, and rules.
- 9. Maintenance and Repair.** The District shall be responsible for the maintenance of the physical spaces in the Leased Premises. Ladybug Crossing shall at all times maintain the Leased Premises in good condition subject to such reasonable standards as the Board may adopt from time to time, and shall timely request any necessary maintenance or repairs of the physical spaces by notifying District personnel.
- 10. Cleaning and Custodial Work.** The District will provide general custodial and cleaning services to the shared bathrooms, hallways, and common areas. Ladybug Crossing will be responsible for the cleaning in the Leased classroom Premises. The District may provide those services and may charge Ladybug a reasonable fee for those services. A yearly deep cleaning of the Leased Premises will be performed by the District.
- 11. Licensure.** Ladybug Crossing will be solely responsible for applying for, obtaining, and maintaining all unnecessary licenses, permits, and other requirements for operating a childcare facility, early education program, and any of its other programs, as required by state and federal law. Ladybug Crossing will provide the District with proof of licensure and ability to operate the Leased Premises as outlined herein within 30 days of the first day of the term of this Agreement. If Ladybug Crossing fails to provide proof of licensure and operability, or at any time loses one or more required license or permits necessary to operate some of all of its programs, the District may cancel this Agreement immediately upon written notice to Ladybug Crossing or its designated representative.
- 12. Quality Programming.** To ensure the high quality of early childhood care and education programming expected of the Board and District, Ladybug Crossing agrees to continue participating in and complying with all the requirements for Step up to Quality and the Pyramid model and training at all times during the term of this Agreement. Ladybug Crossing will provide the District with a copy of all its scores, rating, certificates, or any other document or artifact resulting from participation in or successful completion of those and any other quality-related programs or activities.

- 13. Food Service.** Ladybug Crossing will be responsible for providing or contracting for the provision of its breakfast and snack nutritional needs and requirements. The District will be responsible for providing lunch that will be offered through the school lunch program of Sutherland Public Schools. Ladybug Crossing's employees and/or third-party contractors must comply with all applicable laws, regulations, and building rules that govern Ladybug Crossing and the District. Ladybug will be responsible for paying for the food costs associated with providing the meals with the exception of paying the hourly wage of the District provided cooking staff. This is separate from the rent payment and property tax payment.
- 14. Utilities.** The District shall provide and pay for the electricity, heat, water and sewer for the Leased Premises, and the costs for those utilities are included in the monthly lease amount.
- 15. Access to Leased Premises.** The District grants Ladybug Crossing the right to access across its property for the purposes of access to the Leased Premises, and will also permit such access to all other persons who are authorized by Ladybug Crossing to use the Leased Premises. Ladybug will limit outside individuals' access to any of the grounds of Sutherland Public Schools by using only a controlled entry point closest to the primary classroom space of the Leased Premises. Ladybug Crossing will ensure any individual visiting the Leased Premises uses that entry. A log of all visitors to Ladybug Crossing will be maintained except for routine drop off/pick up and regular parental visits to the primary programs contained in the classrooms of the Leased Premises.
- 16. Term.** This Agreement shall remain in full force and effect from February 1, 2023 to January 31, 2024, unless sooner terminated or modified by mutual agreement of the parties. Ladybug Crossing will not submit lease payments until the center is occupied. The District must give 6 months' notice to Ladybug Crossing if the term of this agreement is canceled. Likewise, Ladybug Crossing must give notice to the District 6 months in advance. The term of this Agreement may be extended for any further term or terms as the parties may from time to time mutually agree. Upon termination of this Agreement, the rights of Ladybug Crossing shall terminate and all rights granted to it hereunder shall revert to the District. A multitude of other issues may be involved, included the District's need for the Leased Premises for school purposes, some of which are unknown at this time.
- 17. Cost of the Lease.** The cost of the lease for the term shall be \$512 per month. It will be reviewed every January. The cost of the lease for future terms, if any, will be negotiated by the District and Ladybug Crossing. The rent payment shall be made on or before the 1st day of each month. Ladybug Crossing will also be responsible for its portion of the property taxes for the areas that they primarily utilize (two classrooms). The District will designate a person and method for receipt of the payment and taxes and inform Ladybug

Crossing of that information before the due date of the first payment.

- 18. Alterations.** Ladybug Crossing shall not remodel, alter, or change the Leased Premises without the prior written consent of the District. Prior to making any alteration requiring District's consent, Ladybug Crossing shall submit plans for such alteration to the District for the District's review and approval. Costs relating to any alteration to the Leased Premises, beyond those items already covered by this Agreement, by Ladybug Crossing with the consent of the District shall be paid by Ladybug Crossing unless the District otherwise agrees in writing.
- 19. Signs.** Ladybug Crossing must obtain the District's prior written consent before installing any sign on Sutherland Public Schools property or the Leased Premises. All signs shall comply with all applicable local, state and federal laws and ordinances and the requirements of the District.
- 20. Ownership.** The Leased Premises and all improvement related thereto, include any replacement thereof, shall at all times be and remain the sole and exclusive property of the District. Ladybug Crossing shall have no right, title, or interest therein or thereto; provided, however, Ladybug Crossing's personal property located in or on the Leased Premises shall remain the property of Ladybug Crossing.
- 21. District's Personal Property.** Any personal property of the District which is brought into the Leased Premises by virtue of the District's use of the Leased Premises shall remain the property of the District.
- 22. Event of Default.** Ladybug Crossing shall be in default under this Agreement if it breaches, defaults on, or otherwise fails to perform or satisfy any agreement, obligation, term, covenant, condition or provision set forth herein or arising hereunder and such breach, default or failure to perform continues for a period of thirty (30) days after Ladybug Crossing receives written notice of such breach or failure to perform from the District; or, if such breach cannot reasonably be cured within such thirty (30) day period, and Ladybug Crossing fails to commence to cure such breach within such thirty (30) days after notice from the District or fails to proceed diligently to cure such breach within a reasonable time thereafter.

 - a. Upon the occurrence of an Event of Default, the District may, in addition to any other remedy or right given by law, terminate this Agreement by delivery of written notice of such termination to Ladybug Crossing and, thereupon, the District may enter the Leased Premises or any portion thereof, upon the dates specified in such notice; and the District shall be entitled to retake possession of the Leased Premises completely. If the District elects to terminate the Agreement as provided in this paragraph, Ladybug Crossing shall forfeit all

rights related to the Leased Premises.

- b. No remedy herein conferred upon or reserved to the District is intended to be exclusive of any other remedy herein or any remedy provided or permitted by law; but each shall be cumulative, shall be in addition to every other remedy given hereunder or now hereafter existing at law or in equity or by statute, and may be exercised concurrently, independently or successively.

23. Assignment. Ladybug Crossing shall not assign any rights in this Agreement without the express written consent of the Board.

24. Insurance. Ladybug Crossing shall maintain, at its sole cost and expense, all required or necessary insurance, including liability insurance to protect against liability incident to use of or resulting from any accident occurring in, on, or about the Leased Premises. The minimum coverage under such insurance shall be \$1,000,000 per individual and \$5,000,000 in the aggregate per occurrence. Ladybug Crossing agrees to cause the District to be named as an additional insured on the liability policy described in this paragraph, and shall take any other action which is necessary to obtain a waiver of subrogation from the insurer such that neither Ladybug Crossing nor the District shall be liable to the insurer for negligence. The District will maintain at its own costs all insurance required by law and procured by the Board.

25. Parking. Street parking owned by the Village of Sutherland is available to Ladybug Crossing's employees and parents who will pick up/drop off children. The Sutherland Methodist Church has also provided parking on the dirt lot for Ladybug Crossing employees.

26. Amendment. Any amendments to this Agreement shall be valid only upon the mutual agreement of the District and Ladybug Crossing and when reduced to writing.

27. Yearly Review. The District and Ladybug Crossing shall review the terms of this Agreement on a yearly basis in January or such other time as they may choose.

28. Protection of Reputation Clause: It is here written that both parties agree to a non-disparagement or protection clause and hereby take measures to resolve any conflict by the proper liaisons appointed.

By: _____ By: _____
Authorized Representative Superintendent

Dated _____, 2022 Dated _____, 2022

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- 17. Cost of the Lease.** The cost of the lease for the term shall be _____ per month. It will be reviewed every January. The cost of the lease for future terms, if any, will be negotiated by the District and Ladybug Crossing. The rent payment shall be made on or before the 1st day of each month. The District will designate a person and method for receipt of the payment and inform Ladybug Crossing of that information before the due date of the first payment.
- 18. Alterations.** Ladybug Crossing shall not remodel, alter, or change the Leased Premises without the prior written consent of the District. Prior to making any alteration requiring District's consent, Ladybug Crossing shall submit plans for such alteration to the District for the District's review and approval. Costs relating to any alteration to the Leased Premises, beyond those items already covered by this Agreement, by Ladybug Crossing with the consent of the District shall be paid by Ladybug Crossing unless the District otherwise agrees in writing.
- 19. Signs.** Ladybug Crossing must obtain the District's prior written consent before installing any sign on Sutherland Public Schools property or the Leased Premises. All signs shall comply with all applicable local, state and federal laws and ordinances and the requirements of the District.
- 20. Ownership.** The Leased Premises and all improvement related thereto, include any replacement thereof, shall at all times be and remain the sole and exclusive property of the District. Ladybug Crossing shall have no right, title, or interest therein or thereto; provided, however, Ladybug Crossing's personal property located in or on the Leased Premises shall remain the property of Ladybug Crossing.
- 21. District's Personal Property.** Any personal property of the District which is brought into the Leased Premises by virtue of the District's use of the Leased Premises shall remain the property of the District.
- 22. Event of Default.** Ladybug Crossing shall be in default under this Agreement if it breaches, defaults on, or otherwise fails to perform or satisfy any agreement, obligation,

term, covenant, condition or provision set forth herein or arising hereunder and such breach, default or failure to perform continues for a period of thirty (30) days after Ladybug Crossing receives written notice of such breach or failure to perform from the District; or, if such breach cannot reasonably be cured within such thirty (30) day period, and Ladybug Crossing fails to commence to cure such breach within such thirty (30) days after notice from the District or fails to proceed diligently to cure such breach within a reasonable time thereafter.

- a. Upon the occurrence of an Event of Default, the District may, in addition to any other remedy or right given by law, terminate this Agreement by delivery of written notice of such termination to Ladybug Crossing and, thereupon, the District may enter the Leased Premises or any portion thereof, upon the dates specified in such notice; and the District shall be entitled to retake possession of the Leased Premises completely. If the District elects to terminate the Agreement as provided in this paragraph, Ladybug Crossing shall forfeit all rights related to the Leased Premises.
- b. No remedy herein conferred upon or reserved to the District is intended to be exclusive of any other remedy herein or any remedy provided or permitted by law; but each shall be cumulative, shall be in addition to every other remedy given hereunder or now hereafter existing at law or in equity or by statute, and may be exercised concurrently, independently or successively.

23. Assignment. Ladybug Crossing shall not assign any rights in this Agreement without the express written consent of the Board.

24. Insurance. Ladybug Crossing shall maintain, at its sole cost and expense, all required or necessary insurance, including liability insurance to protect against liability incident to use of or resulting from any accident occurring in, on, or about the Leased Premises. The minimum coverage under such insurance shall be \$1,000,000 per individual and \$5,000,000 in the aggregate per occurrence. Ladybug Crossing agrees to cause the District to be named as an additional insured on the liability policy described in this paragraph, and shall take any other action which is necessary to obtain a waiver of subrogation from the insurer such that neither Ladybug Crossing nor the District shall be liable to the insurer for negligence. The District will maintain at its own costs all insurance required by law and procured by the Board.

25. Parking. Street parking owned by the Village of Sutherland is available to Ladybug Crossing's employees and parents who will pick up/drop off children. The Sutherland Methodist Church has also provided parking on the dirt lot for Ladybug Crossing employees.

26. Amendment. Any amendments to this Agreement shall be valid only upon the mutual agreement of the District and Ladybug Crossing and when reduced to writing.

27. Yearly Review. The District and Ladybug Crossing shall review the terms of this Agreement on a yearly basis in January or such other time as they may choose.

28. Protection of Reputation Clause: It is here written that both parties agree to a non-disparagement or protection clause and hereby take measures to resolve any conflict by the proper liaisons appointed.

LADYBUG CROSSING

SUTHERLAND PUBLIC SCHOOLS

By: _____
Authorized Representative

By: _____
President, Board of Education

Dated _____, 2022

Dated _____, 2022

Questions Board Asked During October Board Meeting Regarding Potential Daycare:

Gregg Cruickshank

From: Bradley Kjar <bkjar@thtigers.org>
Sent: Tuesday, December 5, 2023 6:25 AM
To: Gregg Cruickshank; Sydney Brummond
Cc: Abbie Uhl
Subject: Re: Inclusive Playground Board presentation

Good morning! Gregg and Abbie I am passing along Sydney Brummond's email address to you. As we talked about last week Sydney has been the lead on our committee for this project. She has been involved with every aspect and has been instrumental in gaining support and fundraising. I visited with her this morning, and she is happy to help in any way possible if you want to reach out to her with any questions. She would have more complete answers than I do about how the project got started, planning, and particularly regarding the fundraising efforts of the committee. She is awesome! Have a great day!

Brad Kjar
Superintendent
Tekamah-Herman Schools
112 N. 13th St., Tekamah, NE 68061



From: Gregg Cruickshank <greggcruickshank@homerknights.org>
Sent: Thursday, November 30, 2023 11:50 AM
To: Bradley Kjar <bkjar@thtigers.org>
Cc: Abbie Uhl <abbieuhl@homerknights.org>
Subject: Re: Inclusive Playground Board presentation

CAUTION: This email originated from outside of the ESU #2 and its member schools. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Brad,
Thank you for the information. I look forward to the conversation.
Gregg

Sent from my iPhone

On Nov 30, 2023, at 11:31 AM, Bradley Kjar <bkjar@thtigers.org> wrote:

Discussion C

**Homer Community Schools District No. 31R
Homer, Nebraska
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
For the Year Ended August 31, 2023**

Homer Community Schools District No. 31R
Homer, Nebraska
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Homer Community Schools District No. 31R
Homer, Nebraska
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
For the Year Ended August 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash at Bank	\$ 2,347,082
Cash at Bank - Restricted	966,921
Cash at County Treasurer	506,689
Cash at County Treasurer - Restricted	84,027
Total Assets	<u>\$ 3,904,720</u>
 NET POSITION	
Restricted Special Building	
Special Building Projects	\$ 1,050,949
Debt Service	-
Unrestricted Board Designated	2,853,771
Total Net Position	<u>\$ 3,904,720</u>

The notes are an integral part of these financial statements.

Homer Community Schools District No. 31R
Homer, Nebraska
STATEMENT OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2023

	Governmental Fund Types					Homer Educational Facilities Leasing Corporation	Government- Wide Total
	General	Activity	School Nutrition	Special Building	QCPUF		
ASSETS							
Cash at Bank	\$ 2,155,850	\$ 69,195	\$ 122,038	\$ -	\$ -	\$ -	\$ 2,347,082
Cash at Bank - Restricted	-	-	-	173,029	793,892	-	966,921
Cash at County Treasurer	506,689	-	-	-	-	-	506,689
Cash at County Treas. - Restricted	-	-	-	59,894	24,133	-	84,027
Total Assets	\$ 2,662,539	\$ 69,195	\$ 122,038	\$ 232,923	\$ 818,025	\$ -	\$ 3,904,720
NET POSITION/FUND BALANCES							
Restricted							
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 818,025	\$ -	\$ 818,025
Capital Outlay	-	-	-	232,923	-	-	232,923
Assigned							
Depreciation Use	626,155	-	-	-	-	-	626,155
Activity Use	-	69,195	-	-	-	-	69,195
Nutrition Program	-	-	122,038	-	-	-	122,038
Unassigned	2,036,383	-	-	-	-	-	2,036,383
Total Fund Balances	\$ 2,662,539	\$ 69,195	\$ 122,038	\$ 232,923	\$ 818,025	\$ -	\$ 3,904,720

The notes are an integral part of these financial statements.

Homer Community Schools District No. 31R
Homer, Nebraska
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements (Continued)

The financial transactions of the District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and disbursements.

Fund Types – The accounts of the District are organized on the basis of funds, which are grouped into the following fund types:

The District reports the following governmental funds:

General Fund – The fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other funds are accounted for in this fund. General operating disbursements and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund

The General Fund for financial reporting purposes also includes the following components, which are considered funds for budgetary purposes but do not meet the definition as special revenue funds as clarified in GASB 54, or whose activities are insignificant and reporting as part of the General Fund is allowable.

Depreciation Fund – The fund is established by the district in order to facilitate the eventual purchase of costly capital outlay by reserving the amount from the General Fund. The transfer of funds is considered a disbursement in in the General Fund and a Transfer from General Fund in the Depreciation Fund. The purpose of the fund is to spread replacement costs of capital outlay over a period of years. This fund is restricted.

Activities Fund – The fund is used to account for assets held by the District and the related receipts and expenditures used in various school organizations and activities.

School Nutrition Fund – The fund is used to accommodate all aspects of the School Lunch Program and accounts for all receipts and disbursements of all Child Nutrition Programs.

Homer Community Schools District No. 31R
Homer, Nebraska
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements (Continued)

Special Building Fund – The fund is established for acquiring or improving sites and buildings, including construction, alteration, or improvement of buildings. accounts for taxes levied and other revenue specifically maintained for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. The Board of Education may approve a budget with levy limitation of 14 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the District.

Qualified Capital Purpose Undertaking Fund – This fund is established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in School District’s buildings, the repayment of qualified zone academy bonds issued for a qualified capital purpose, modifications for life safety code violations, indoor air quality projects, and mold abatement and prevention products.

Homer Educational Facilities Leasing Corporation – The Corporation is the District’s blended component unit. The Corporation was organized to construct a building addition to the elementary school and middle/high school and then lease the addition to the District. The transactions of the Corporation will include the construction costs as well as the rental income that will be paid from the District to the Corporation. The Corporation will also make payments on the money that was borrowed to finance the construction. The District considers the presentation of the Corporation as equivalent to a governmental capital projects and debt fund. See Note K for additional details.

Cash and Cash Equivalents – The District considers checking accounts, savings accounts, money market accounts and certificates of deposit as cash or cash equivalents.

Capital Assets – Capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Equity Classification

Government-Wide Financial Statements

Equity is classified as net position and displayed in two components:

Homer Community Schools District No. 31R
Homer, Nebraska
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J. HOMER EDUCATIONAL FACILITIES LEASING CORPORATION RECEIVABLE/PAYABLE

Homer Educational Facilities Leasing Corporation receivable and payable balances at August 31, 2023 are as follows:

	Receivable	Payable
Homer Educational Facilities Leasing Corporation	\$ -	\$ 332,901
Special Building Fund	332,901	
Total	\$ 332,901	\$ 332,901

NOTE K. LONG-TERM DEBT

QCPUF

Series 2022 bond was issued on July 15, 2022 in the original amount of \$710,000 with a 3.15% fixed interest rate for a new HVAC system. This is a limited tax general obligation certificate. The final payment is due on December 15, 2029.

Debt Service requirements on the Series 2022 bond issue as of August 31, 2023, as follows:

Interest Rate	Year Ending August 31,	Governmental Activities		
		Principal	Interest	Total
3.15	2023	\$ -	\$ 20,501	\$ 20,501
3.15	2024	92,099	20,914	113,013
3.15	2025	95,046	17,967	113,013
3.15	2026	98,088	14,925	113,013
3.15	2027	101,228	11,786	113,014
3.15	2028	104,467	8,546	113,013
3.15	2029	107,811	5,203	113,014
3.15	2030	111,261	1,752	113,013
		\$ 710,000	\$ 101,594	\$ 811,594

The Homer Educational Facilities Leasing Corporation entered into a Tax-Exempt Lease Revenue Educational Facilities Note, Series 2021, on September 30, 2021, to a local bank for the construction of a building addition to the elementary school and middle/high school. The original amount of the debt is \$2,270,000 with a fixed interest rate of .85%. The final payment is due September 30, 2028.

Homer Community Schools District No. 31R
Homer, Nebraska
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K. LONG-TERM DEBT – CONTINUED *Lease-Purchase*

Debt Service requirements on the Series 2021 bond issue as of August 31, 2023, as follows:

Interest Rate	Year Ending August 31,	Governmental Activities		
		Principal	Interest	Total
.85	2023	\$ 315,000	\$ 17,956	\$ 332,956
.85	2024	320,000	15,258	335,258
.85	2025	320,000	12,538	332,538
.85	2026	325,000	9,796	334,796
.85	2027	325,000	7,034	332,034
.85	2028	330,000	4,250	334,250
.85	2029	335,000	1,424	336,424
		<u>\$ 2,270,000</u>	<u>\$ 68,256</u>	<u>\$ 2,338,256</u>

The following is a summary of long-term debt transactions of the District for the year ended August 31, 2023.

	Beginning Of Year	Issued	Retired	End of Year	Due in One Year
Series 22	\$ 710,000	\$ -	\$ -	\$ 710,000	\$ 92,099
Notes Payable	2,270,000	-	315,000	1,955,000	320,000
	<u>\$ 2,980,000</u>	<u>\$ -</u>	<u>\$ 315,000</u>	<u>\$ 2,665,000</u>	<u>\$ 412,099</u>

NOTE L. LONG-TERM LEASE PURCHASE

On September 30, 2021, The District entered into a 7-year lease with the Homer Educational Facilities Leasing Corporation for a building addition to the elementary school and middle/high school. The annual lease payments vary based on the Corporation's repayment schedule of its note with the local bank that financed the note.

The net right of use asset is \$1,896,487 and the lease liability \$1,881,126. The amounts are not reflected in the financial statements, since the basis of accounting used is modified cash.

Homer Community Schools District No. 31R
Homer, Nebraska
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L. LONG-TERM LEASE PURCHASE - CONTINUED

The maturities of lease liabilities as of August 31, 2023 are as follows:

Year Ending August 31,	Principal	Interest	Total
2024	\$ 295,803	\$ 24,197	\$ 320,000
2025	300,387	19,613	320,000
2026	310,121	14,879	325,000
2027	314,928	10,072	325,000
2028	324,887	5,113	330,000
2029	335,000	-	335,000
	<u>\$ 1,881,126</u>	<u>\$ 73,874</u>	<u>\$ 1,955,000</u>

NOTE M. HOMER EDUCATIONAL FACILITIES LEASING CORPORATION

On September 1, 2021, the Board of Education approved the creation of the Homer Educational Facilities Leasing Corporation (the Corporation) to assist the District with its goals to expand its building site. The Corporation was structured as a not-for-profit corporation with the District appointing the District's Superintendent, Board President, and Board Vice President as the initial members of the governing board of the

Corporation. The Corporation is considered an affiliate of the District and, therefore, the Corporation doesn't have an information return filing requirement and it gets to utilize the District's identifying number.

As noted in Note J, the Corporation entered into a loan agreement, on September 30, 2021, with a local bank in the amount of \$2,270,000. The loan will be used to construct a building expansion to the elementary school and middle/high school. The loan carries a .85% fixed interest rate and semiannual payments are due starting on March 30, 2022

with the final payment on September 30, 2028. The future payments on the loan are included in Note K. The Corporation will make payments on the loan from the lease receipts collected from the District.

Also on September 30, 2021, the Corporation entered into a lease-purchase agreement with the District for use of the building site. See Note L for additional details of the lease purchase agreement.

Homer Community Schools District No. 31R
Homer, Nebraska
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - ACTUAL AND BUDGET

GENERAL FUND

For the Year Ended August 31, 2023

	Actual	Original Budget
6998 ESSER III	-	11,600
Transfers		
8000 Transfers	-	400,000
Total Disbursements	6,569,296	7,086,540
Cash Receipts Over (Under) Disbursements	(778,052)	\$ 1,425,813
Beginning Bank Balances	2,212,948	
Beginning Balances at County Treasurer	601,487	
Fund Balance, Beginning of Year	2,814,435	
Ending Bank Balances	1,529,694	
Ending Balances at County Treasurer	506,689	
Fund Balance, End of Year	\$ 2,036,383	

The notes are an integral part of these financial statements.

Section II: Findings - Financial Statement Audit

Finding 2023-1 Segregation of Duties

Condition: Due to a limited number of personnel, there is not adequate segregation of duties to ensure proper internal control over cash receipts, cash disbursements and recording of transactions.

Effect: Cash may be misappropriated

Cause: The District has a limited number of staff

Criteria: The District should assign different staff the responsibilities of authorizing and recording transactions and controlling assets to reduce the opportunity that any one person can be in a position to perpetrate and conceal errors or fraud in the normal course of their duties.

Recommendation: Management should continue to review its internal control on a periodic basis and look for ways to segregate duties. If additional segregation is possible then mitigating controls should be considered, such as additional reviews of receipts, disbursements and payroll by members of the board or superintendent.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding. We will continue to review internal controls and where appropriate we will segregate duties further. We will also look at mitigating controls.

Discussion
e

Gregg Cruickshank

From: Amy Brand
Sent: Wednesday, December 6, 2023 3:38 PM
To: Gregg Cruickshank
Subject: Fw: Software Unlimited, Inc. - School Accounting System Online T1 + Web Link - Cost Estimate - Homer Community Schools
Attachments: Homer Community Schools - SAS Online T1+WL.pdf; Lumen2022Type2SOC2.pdf; Wizmo Data Center.pdf

FYI - I would like to present to the board as soon as I can so I can get the green light to set training up. We paid Harris \$5,253 for maintenance on both FA2 and activities. SUI would be handle GF and activities.

Amy Brand
Business Manager, Wellness Rep.
Homer Community School
(402) 698-2377, ext. 110

From: Russ J. Durand <RJD@su-inc.com>
Sent: Monday, December 4, 2023 12:07 PM
To: Amy Brand <amybrand@homerknights.org>
Cc: Russ J. Durand <RJD@su-inc.com>
Subject: Software Unlimited, Inc. - School Accounting System Online T1 + Web Link - Cost Estimate - Homer Community Schools

Hi Amy,

Thanks so much for our visit last week, I hope it was helpful.

I'm confident our software would be a good fit for the district and, in particular, for your accounting needs in moving on from your current software. Also, as promised, I'm emailing you a cost estimate and some other information that we discussed for Homer's consideration of making a switch to our software, tentatively later next year in **September**...

Cost Estimates

Attached you'll find a cost estimate; **Homer Community Schools - SAS Online T1+WL.pdf**. The estimate represents the district switching to our software with our **Online Setup** (where SUI hosts the software for the district) and includes the employee portal add-on module, **Web Link**. The cost estimate is an absolutely worst-case scenario on costs as I've used a 5% increase in Annual Fees for the 4 outlying years. However, those increases have historically been more like 2% or 3% the last several years, so SUI would likely come in under the cost estimate for the outlying years.

Conversion Process and Timing of Switch to School Accounting System

Again, we typically begin working with a new customer 45 to 60 days prior to training and the official "go live" date for a switch to our software. We assign a New School Coordinator, Beth Dahl, who completes a data conversion with you by working closely to convert current data to our School Accounting System. We would convert what we call "current year" data...i.e. all the current fiscal year and current calendar year data that would be needed to fully move forward with the coop's accounting in our software. This typically means that the historical data would need to be saved and made available as stored reference data to meet state data retention laws.

Training Workshops

For this estimates I simply used the scenario of **Pender** attending our **August 2024** training workshop in Kearney, NE...and then having a "go live" date of **September 1, 2024**

***NOTE:** There are other training workshop options for different timing of a switch to our software...we can talk more about timing and possibly converting along with the other northeastern Nebraska districts.

Data Security

I've attached some basics on our online hosting data center...for you and anyone at **the district** who may have questions about the data security with the use of our software.

Nebraska Districts References who utilized School Accounting System

- Lakeview Community Schools
- East Butler Public Schools
- Douglas County West Community School District 15

Suggested Time Keeping Option:

- **Time Management Systems Contact** (<https://timemanagementsystems.com>)
If interested, you could reach out to Tabbitha Bierig, (605) 306-5619, tabbithab@tmstime.com

Please let me know if I can answer any additional questions regarding the **School Accounting System Online** option, the add-on modules...or the attached cost estimate itself. Please also let me know any additional questions about the conversion process or timing issues.

Finally, also, if anyone would like to schedule a Zoom demo to take a closer look at any specific features or functionality of our software...or a closer look at any of the add-on modules, you can schedule that here:

https://calendly.com/caa_demos/addon. If you'd like to have a demo on the K12 Docs product, you can sign up for a demo with this link: https://calendly.com/caa_demos/k12docs

I'll let you review the cost estimates and other information and plan to check-in with you later next week to see if any questions have arisen.

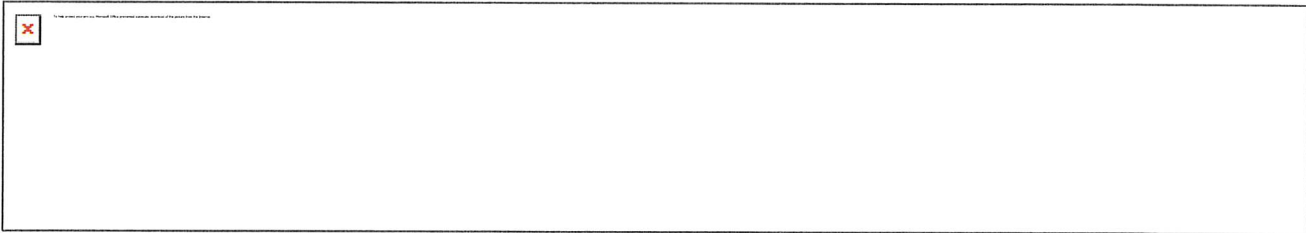
Thanks,
Russ



Russ Durand | Territory Sales Manager

5015 S. Broadband Lane | Sioux Falls, SD 57108

p: 800.756.0035;102 | RJD@su-inc.com | www.su-inc.com





**Estimated One-Time License and Annual Fees:
Implementing the School Accounting System – Online T1
by Software Unlimited, Inc.**

One-Time License Fees:

SAS (AP,PR,GL) (Includes Tuition to attend a formally scheduled workshop; vendor file and COA conversion)	\$4,995.00
Web Link (Includes tuition for Workshop or Phone/Web Training)	\$1,145.00

Total One-Time Fees/Conversions: \$6,140.00

<u>*Annual Fees</u>	(FY 2024-2025)	\$6,890.00
	(FY 2025-2026)	\$7,350.00
	(FY 2026-2027)	\$7,620.00
	(FY 2027-2028)	\$7,910.00
	(FY 2028-2029)	\$8,200.00

Note: Annual Fees begin after the training/live date and are prorated the first year (billing based on fiscal year). The estimate above assumes licensing of the School Accounting System-Online, hosted option to cover **1-2 users in the main system** and **unlimited users in the Web Link module**. For the purposes of this estimate, year one assumes a live date of **9/1/2024**. Years two through five assumes about a 5% annual increase (to show you a **high-end** increase). Annual increases normally range from 2% to 5%.

**Annual Fees subject to change*

Estimate prepared for Homer Community Schools.
Estimate valid from 12/4/2023 to 3/3/2024.
Russ Durand, Sales & Marketing Department

Discussion f

Dakota County Clerk

Cherie Conley

1601 Broadway Street

PO Box 39

Dakota City, NE 68731-0039

(402) 987-2130

cconley@dakotacounty.ne.gov

Fax (402)494-9229

TO: All School Superintendents, City and Village Clerks in Dakota County.

FROM: Cherie Conley, Election Official

DATE: November 17, 2024

RE: Candidate Filing Deadlines and Certification due by January 5, 2024

Pursuant to Nebraska Statute 32-404, the Election Official, where candidates file their Candidate Filing Form, is required to give notice to each political subdivision of the filing deadline for the statewide Primary Election and in the case of the villages, the General Election.

I am hereby notifying you that the filing deadlines for the statewide primary and general elections are as follows:

	<u>Incumbents</u>	<u>Non-incumbents</u>
Class III School Districts	February 15, 2024	March 1, 2024
Cities South Sioux City and Dakota City	February 15, 2024	March 1, 2024
Villages	July 15, 2024	August 1, 2024

City & Village Clerks:

The Filing fee is 1% of the annual salary for salaries over \$500 and that must be paid at the City or Village Clerk's Offices. There is no filing fee if a Board Member is paid less than \$500 per year. Please remind the candidate that the receipt given to them is then filed with me when they file their Candidate Filing Form.

January 5, 2024, is the first day a person may file for office to have their name placed on the ballot as a candidate at the 2024 election. §32-606

I will be happy to send a Candidate Filing Packet out to candidates if I have a request to do so; or I can send them to you if you wish to distribute them to incumbents on your board.

Please fill out the enclosed Certification and return it to this office no later than January 5, 2024.

If you have any questions, please feel free to contact me.

Thank you!