

2018-2019 FINAL BUDGET

**PRESENTED TO
THE BOARD
OF EDUCATION**

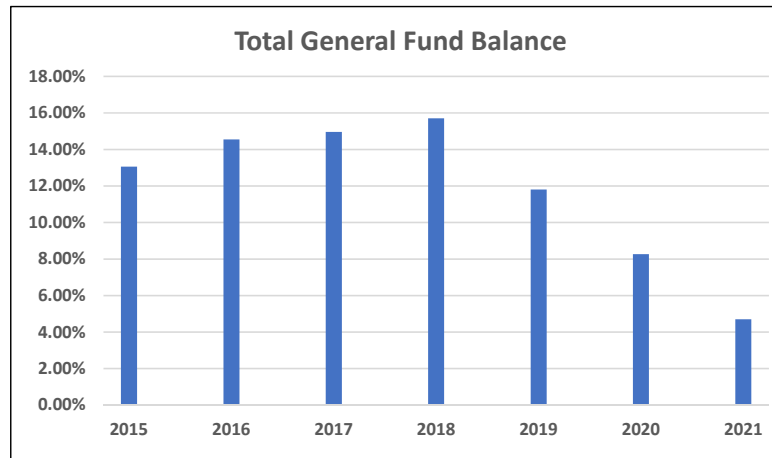
FEBRUARY 11, 2019

Owatonna Public Schools
Independent School District No. 761
515 West Bridge Street
Owatonna, MN 55060

The logo for Owatonna Public Schools features the word "OWATONNA" in a large, bold, black sans-serif font. Above the letter "O" is a small blue icon of a graduation cap. Below "OWATONNA" is the phrase "PUBLIC SCHOOLS" in a smaller, bold, black sans-serif font. At the bottom of the logo is the tagline "INSPIRING EXCELLENCE • EVERY LEARNER • EVERY DAY" in a very small, black, all-caps sans-serif font.**OWATONNA**
PUBLIC SCHOOLS
INSPIRING EXCELLENCE • EVERY LEARNER • EVERY DAY

Fund Balance Forecast as of February 11, 2019 (General Fund Only)

	2015	2016	2017	2018	2019	(\$500,000 Reduction) 2020	(\$500,000 Reduction) 2021
General Fund							
Unassigned Fund Balance	\$ 5,808,064	\$ 7,070,532	\$ 7,337,206	\$ 7,617,897	\$ 6,017,748	\$ 4,286,515	\$ 2,376,961
Restricted Fund Balance	960,309	697,934	1,021,153	1,454,254	1,187,922	887,922	587,922
Nonspendable Fund Balance	160,773	176,123	167,720	97,649	97,649	97,649	97,649
Total Fund Balance	\$ 6,929,146	\$ 7,944,589	\$ 8,526,079	\$ 9,169,800	\$ 7,303,319	\$ 5,272,086	\$ 3,062,532
Total Revenues	\$ 51,563,912	\$ 55,220,260	\$ 57,543,012	\$ 59,020,531	\$ 59,975,807	\$ 61,738,323	\$ 62,973,090
Total Expenditures	\$ 53,041,920	\$ 54,579,510	\$ 56,961,521	\$ 58,376,809	\$ 61,842,288	\$ 63,769,557	\$ 65,182,643
Total Fund Balance as a % of Total Expenditures	13.06%	14.56%	14.97%	15.71%	11.81%	8.27%	4.70%
Unassigned Fund Balance as a % of Total Expenditures	10.95%	12.95%	12.88%	13.05%	9.73%	6.72%	3.65%



Assumptions:

- 1) 2% increase in revenues for FY 20 and FY 21
- 2) 3% increase in expenditures for FY 20 and FY 21
- 3) Added \$563,000 for Achievement & Integration grant in Revenue and Expenditures in FY 20 and FY 21
- 4) Board Target for Unassigned Fund Balance is 8%-10%
- 5) Current operating levy expires on June 30, 2021. FY 19 per pupil levy amount is \$1,154.62.
- 6) \$500,000 in expenditure reductions for both FY 20 and FY 21 to maintain a positive fund balance through FY 21

REVENUES

General Fund	Actual 2017-2018	Preliminary 2018-2019	Revised 2018-2019	Change Preliminary to Revised
Local Property Taxes	\$ 6,773,102	\$ 6,773,649	\$ 6,826,726	\$ 53,077
State Sources	48,363,332	49,152,400	49,590,098	437,698
Federal Sources	2,580,989	2,405,988	2,258,055	(147,933)
All Other Sources	1,303,108	1,222,262	1,300,928	78,666
Total Revenues	<u>\$ 59,020,531</u>	<u>\$ 59,554,299</u>	<u>\$ 59,975,807</u>	<u>\$ 421,508</u>

Detailed State Sources

Endowment	\$ 187,686	\$ 185,264	\$ 172,905	\$ (12,359)
General Education Aid	40,531,201	41,641,003	41,362,153	(278,850)
Literacy Aid	264,839	264,839	262,276	(2,563)
Shared Time Aid	35,086	32,094	35,086	2,992
Abatement Aid	3,288	3,288	1,836	(1,452)
Disparity Reduction Aid	8,982	8,982	9,217	235
Homestead/Ag Market Value Credit	16,609	16,295	16,124	(171)
Other State Credits	2,826	3,140	-	(3,140)
State Aids and Grants	914,303	926,876	1,144,488	217,612
Special Education	6,191,532	6,070,619	6,387,013	316,394
Miscellaneous Revenue from MDE	28,031	-	24,000	24,000
Direct TRA/PERA Aid	178,949	-	175,000	175,000
Total State Sources	<u>\$ 48,363,332</u>	<u>\$ 49,152,400</u>	<u>\$ 49,590,098</u>	<u>\$ 437,698</u>

	Audited 2017-2018	Preliminary 2018-2019	Revised 2018-2019	Change Preliminary to Revised
Food Service Fund				
State Sources	\$ 174,165	\$ 197,295	\$ 199,795	\$ 2,500
Federal Sources	1,564,463	1,625,024	1,625,024	-
All Other Sources	1,199,372	1,220,775	1,220,775	-
Total Revenues	<u>\$ 2,938,000</u>	<u>\$ 3,043,094</u>	<u>\$ 3,045,594</u>	<u>\$ 2,500</u>
Community Service Fund				
Local Property Taxes	\$ 307,165	\$ 306,772	\$ 309,474	\$ 2,702
State Sources	2,117,567	2,105,079	2,107,248	2,169
Federal Sources	72,552	72,552	76,933	4,381
All Other Sources	943,736	793,083	793,083	-
Total Revenues	<u>\$ 3,441,020</u>	<u>\$ 3,277,486</u>	<u>\$ 3,286,738</u>	<u>\$ 9,252</u>
Building Construction Fund	<u>\$ 267,496</u>	<u>\$ 120,000</u>	<u>\$ 235,000</u>	<u>\$ 115,000</u>
Debt Service Fund	<u>\$ 6,096,893</u>	<u>\$ 6,051,085</u>	<u>\$ 6,081,085</u>	<u>\$ 30,000</u>

EXPENDITURES

General Fund	Actual 2017-2018	Preliminary 2018-2019	Revised 2018-2019	Change Preliminary to Revised
Salaries	\$ 33,809,239	\$ 35,321,026	\$ 35,659,336	\$ 338,310
Employee Benefits	12,313,084	13,278,644	13,438,177	159,533
Purchased Services	8,354,596	8,806,100	8,829,524	23,424
Supplies and Materials	2,308,453	2,782,128	2,773,866	(8,262)
Capital Expenditures	1,327,498	785,454	851,189	65,735
Other Expenditures	263,939	114,096	290,196	176,100
Total Expenditures	\$ 58,376,809	\$ 61,087,448	\$ 61,842,288	\$ 754,840
District and School Admin	\$ 2,027,510	\$ 2,119,911	\$ 2,095,226	\$ (24,685)
District Support Services	2,590,448	2,955,597	3,026,037	70,440
Regular Instruction	26,797,863	27,993,820	28,453,467	459,647
Vocational Instruction	1,004,331	1,112,647	1,119,528	6,881
Special Education Instruction	12,283,621	12,185,317	12,282,015	96,698
Instructional Support Services	2,905,586	2,978,399	3,136,923	158,524
Pupil Support Services	4,879,387	4,701,834	4,690,502	\$ (11,332)
Operations and Maintenance	5,704,196	6,812,923	6,825,750	12,827
Fixed Cost and Debt Service	183,867	227,000	212,840	(14,160)
Total Expenditures	\$ 58,376,809	\$ 61,087,448	\$ 61,842,288	\$ 754,840

	Audited 2017-2018	Preliminary 2018-2019	Revised 2018-2019	Change Preliminary to Revised
Food Service Fund				
Salaries	\$ 1,064,674	\$ 1,124,081	\$ 1,108,296	\$ (15,785)
Employee Benefits	353,336	386,929	393,133	6,204
Purchased Services	58,041	72,500	72,500	-
Supplies and Materials	1,384,379	1,421,911	1,421,911	-
Capital Expenditures	6,118	50,000	50,000	-
Other Expenditures	3,203	3,250	5,750	2,500
Total Expenditures	<u>\$ 2,869,751</u>	<u>\$ 3,058,671</u>	<u>\$ 3,051,590</u>	<u>\$ (7,081)</u>
 Community Service Fund				
Salaries	\$ 1,065,188	\$ 1,302,413	\$ 1,128,589	\$ (173,824)
Employee Benefits	321,244	418,582	355,596	(62,986)
Purchased Services	1,674,820	1,661,621	1,661,889	268
Supplies and Materials	160,049	113,240	109,757	(3,483)
Capital Expenditures	10,250	27,031	27,031	-
Other Expenditures	12,465	4,525	8,525	4,000
Total Expenditures	<u>\$ 3,244,016</u>	<u>\$ 3,527,412</u>	<u>\$ 3,291,387</u>	<u>\$ (236,025)</u>
 Building Construction Fund				
	<u>\$ 36,501,148</u>	<u>\$ 22,397,831</u>	<u>\$ 14,936,254</u>	<u>\$ (7,461,577)</u>
 Debt Service Fund				
	<u>\$ 5,866,345</u>	<u>\$ 5,865,100</u>	<u>\$ 5,865,100</u>	<u>\$ -</u>

FUND BALANCE SUMMARY

Year Ended June 30, 2019

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Community Service Fund</u>	<u>Building Construction Fund</u>	<u>Debt Service Fund</u>	<u>Trust Fund</u>	<u>Health Internal Service Fund</u>	<u>Dental Internal Service Fund</u>
Revenues	\$ 59,975,807	\$ 3,045,594	\$ 3,267,738	\$ 235,000	\$ 6,081,085	\$ 1,502	\$ 500	\$ 254,747
Expenditures	(61,823,288)	(3,051,590)	(3,291,387)	(14,936,254)	(5,865,100)	(2,137)	(19,142)	(254,747)
Operating Transfers In (Out) *	(19,000)	-	19,000	-	-	-	-	-
Net Change in Fund Balance	(1,866,481)	(5,996)	(4,649)	(14,701,254)	215,985	(635)	(18,642)	-
FUND BALANCE								
Beginning of Year	9,169,800	687,067	1,095,638	14,701,254	1,073,031	3,307	177,803	-
End of Year	<u>\$ 7,303,319</u>	<u>\$ 681,071</u>	<u>\$ 1,090,989</u>	<u>\$ -</u>	<u>\$ 1,289,016</u>	<u>\$ 2,672</u>	<u>\$ 159,161</u>	<u>\$ -</u>
Restricted Fund Balance	\$ 1,187,922	\$ 641,389	\$ 1,071,875	\$ -	\$ 1,289,016	\$ 2,672	\$ 159,161	\$ -
Nonspendable Fund Balance	97,649	39,682	19,114	-	-	-	-	-
Unassigned Fund Balance	<u>6,017,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>\$ 7,303,319</u>	<u>\$ 681,071</u>	<u>\$ 1,090,989</u>	<u>\$ -</u>	<u>\$ 1,289,016</u>	<u>\$ 2,672</u>	<u>\$ 159,161</u>	<u>\$ -</u>
Unassigned Fund Balance as a Percentage of Expenditures	<u>9.73%</u>	<u>21.02%</u>	<u>32.57%</u>	<u>0.00%</u>	<u>21.98%</u>	<u>125.04%</u>	<u>831.48%</u>	<u>0.00%</u>
Total Fund Balance as a Percentage of Expenditures	<u>11.81%</u>	<u>22.32%</u>	<u>33.34%</u>	<u>0.00%</u>	<u>21.98%</u>	<u>125.04%</u>	<u>831.48%</u>	<u>0.00%</u>

* Transfer from General Fund to Community Service Fund for the administration of central enrollment and Kid's First activities.

**Budget Adjustments Since FY '19 Preliminary Budget Approved in June 2018
As of February 11, 2019 (General Fund Only)**

2018-19 FINAL BUDGET	<u>Item</u>	<u>Revenues ¹</u>	<u>Expenditures ²</u>	<u>Comments</u>
	1 Adjust Tax Levy	53,077		Adjust Tax Levy to actual
	2 Adjust General Education State Aid	(278,850)		Decrease 28 ADM to reflect enrollment forecast
	3 Adjust Federal Grant Revenue/Expenditure	(147,933)	(143,667)	Decrease to the amount actually budgeted on the MDE SERVS system
	4 Adjust Tax Credit Aid	(4,528)		Decrease to match aid entitlement for FY 2019
	5 Adjust Long-Term Facilities Maintenance Revenue	240,851		Increase to match aid entitlement for FY 2019
	6 Adjust Special Education State Aid	316,394		Increase to match aid entitlement for FY 2019
	7 Adjust Miscellaneous State Aid Revenue	(11,169)		Decrease to match aid entitlement for FY 2019
	8 Adjust Medical Assistance Revenue	(100,000)		Decrease to reflect expected MA Billing revenue
	9 Adjust for TRA/PERA Direct Aid	175,000	175,000	Reflect direct aid paid by the state to TRA and PERA on ISD #761 behalf
	10 Adjust Interest Revenue	100,000		Increase to reflect expected investment interest revenue
	11 Sale of Equipment	57,152		Account for sale of obsolete technology equipment
	12 Adjust Miscellaneous Local Revenues and Donations	21,514		Increase donations and miscellaneous collections
	13 Adjust Staff Development		(4,052)	Decrease expenditures to match Staff Development State Aid
	14 Adjust Compensatory Expenditures		400,359	Add expenditures for Compensatory Carryforward
	15 Adjust Operating Capital		78,000	Add expenditures for Operating Capital Carryforward
	16 Adjust salaries and benefits		119,615	Adjust for contract settlement and benefit election changes
	17 Adjust purchased services		80,039	Adjust for purchased service changes
	18 Adjust supplies and materials		43,680	Adjust for supplies and materials changes
	19 Adjust capital expenditures		4,766	Adjust for capital expenditures changes
	20 Adjust dues and memberships		1,100	Add expenditures for dues and memberships
	Total Impact to Preliminary Budget	<u>421,508</u>	<u>754,840</u>	(333,332)
		-	-	Net Adjustment

June 30, 2018 Ending General Fund Balance \$ 9,169,800
FY '19 Preliminary Budget Surplus (Deficit) \$ (1,533,149)
FY '19 Final Budget Surplus (Deficit) \$ (1,866,481)
June 30, 2019 Ending General Fund Balance \$ 7,303,319

Note: Reference for 1 and 2 above.

1 A positive number in revenues indicates the revenue budget is being increased. A negative number in revenues indicates the revenue budget is being decreased.

2 A positive number in expenditures indicates the expenditure budget is being increased. A negative number in expenditures indicates a savings in expenditures.