

2020-2021 PRELIMINARY BUDGET

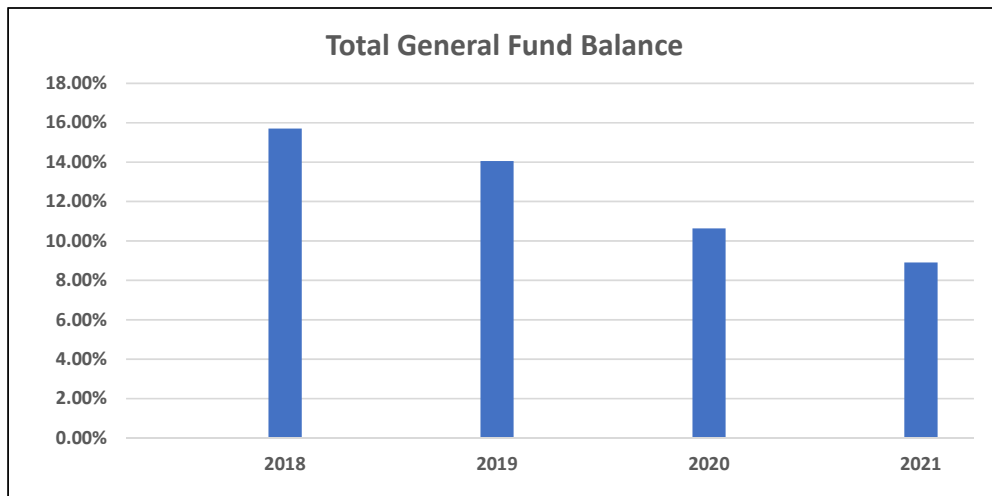
**PRESENTED TO THE
SCHOOL BOARD
JUNE 8, 2020**

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 stylized blue roofline icon. Below "OWATONNA" are the words "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 June 8, 2020 (General Fund Only)

	2018	2019	2020	2021
<u>General Fund</u>				
Unassigned Fund Balance	\$ 7,617,897	\$ 5,996,615	\$ 4,003,332	\$ 3,136,557
Restricted Fund Balance	1,454,254	2,527,361	2,632,356	2,408,926
Nonspendable Fund Balance	97,649	170,646	170,646	170,646
Total Fund Balance	\$ 9,169,800	\$ 8,694,622	\$ 6,806,334	\$ 5,716,129
Total Revenues	\$ 59,020,531	\$ 59,975,807	\$ 62,101,643	\$ 63,070,747
Total Expenditures	\$ 58,376,809	\$ 61,842,288	\$ 63,989,931	\$ 64,160,952
Total Fund Balance as a % of Total Expenditures	15.71%	14.06%	10.64%	8.91%
Unassigned Fund Balance as a % of Total Expenditures	13.05%	9.70%	6.26%	4.89%



Assumptions:

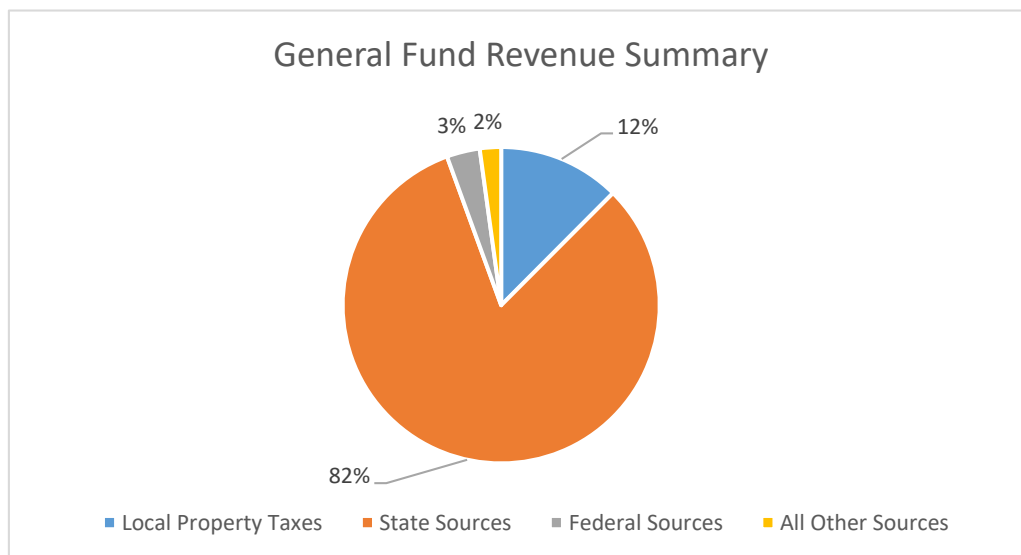
- 1) 2% increase in revenues for FY 21
- 2) 3% increase in expenditures for FY 21
- 3) Added \$563,000 for Achievement & Integration grant in Revenue and Expenditures in FY 20 and FY 21
- 4) Board Target for Unassigned Fund Balance is 8%-10%
- 5) Current operating levy expires on June 30, 2021. FY 21 per pupil levy amount is \$1,206.90
- 6) Budget Reductions of \$500,000 in FY 20 and \$2,000,000 in FY 21 to maintain a fund balance of ~5% through FY 21.

REVENUES

General Fund	Final 2019-2020	Preliminary 2020-2021	Change from Final to Preliminary
Local Property Taxes	\$ 7,458,612	\$ 7,856,511	\$ 397,899
State Sources	51,201,175	51,714,168	512,993
Federal Sources	2,162,144	2,129,617	(32,527)
All Other Sources	1,279,712	1,370,451	90,739
Total Revenues	\$ 62,101,643	\$ 63,070,747	\$ 969,104

Detailed State Sources

Endowment	\$ 216,025	\$ 221,356	\$ 5,331
General Education Aid	41,735,144	42,096,042	360,898
Literacy Aid	236,475	236,295	(180)
Shared Time Aid	23,039	23,039	-
Abatement Aid	4,099	4,100	1
Disparity Reduction Aid	9,216	9,216	-
Homestead/Ag Market Value Credit	14,787	70	(14,717)
Achievement and Integration Aid	393,500	406,387	12,887
State Aids and Grants	1,359,390	1,202,363	(157,027)
Special Education	7,000,000	7,300,000	300,000
Miscellaneous Revenue from MDE	24,000	20,000	(4,000)
Direct TRA/PERA Aid	185,500	195,300	9,800
Total State Sources	\$ 51,201,175	\$ 51,714,168	\$ 512,993



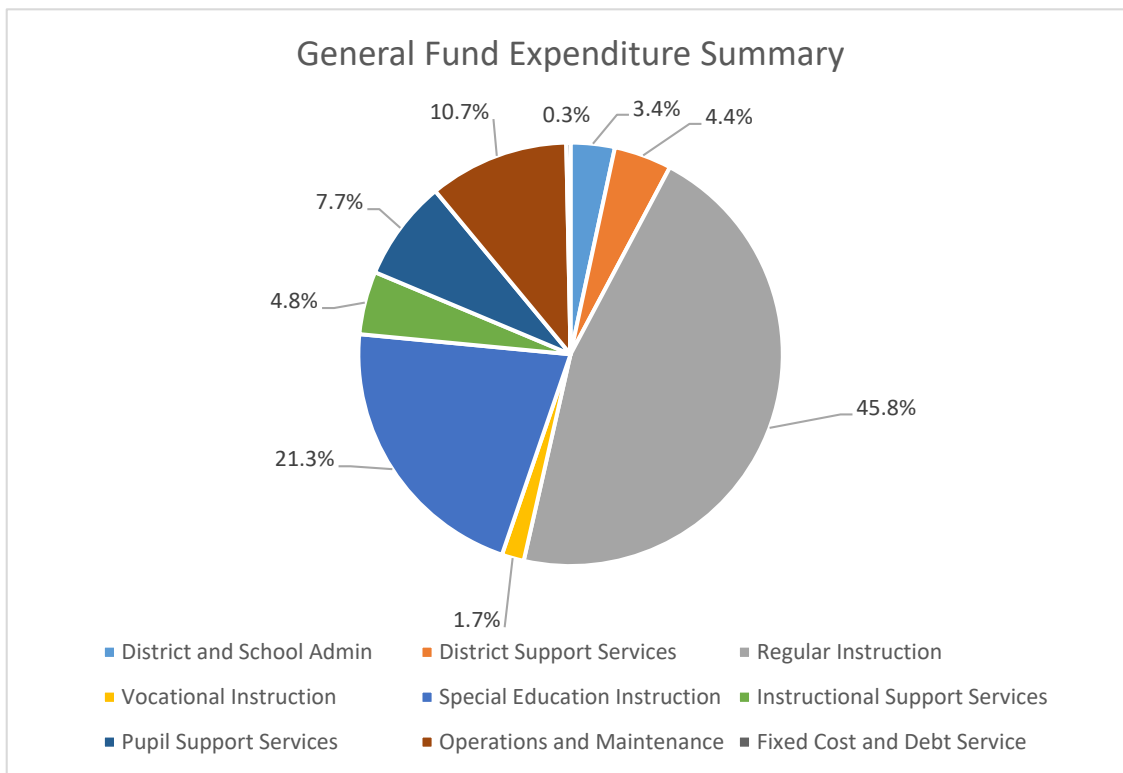
	Final 2019-2020	Preliminary 2020-2021	Change from Final to Preliminary
Food Service Fund			
State Sources	\$ 181,088	\$ 181,011	\$ (77)
Federal Sources	1,606,178	1,587,523	(18,655)
All Other Sources	1,164,699	1,167,228	2,529
Total Revenues	<u>\$ 2,951,965</u>	<u>\$ 2,935,762</u>	<u>\$ (16,203)</u>
Community Service Fund			
Local Property Taxes	\$ 306,204	\$ 308,059	\$ 1,855
State Sources	2,185,929	2,204,220	18,291
Federal Sources	177,147	157,148	(19,999)
All Other Sources	779,083	780,630	1,547
Total Revenues	<u>\$ 3,448,363</u>	<u>\$ 3,450,057</u>	<u>\$ 1,694</u>
OHS Building Construction Fund	<u>\$ 133,375,730</u>	<u>\$ 600,000</u>	<u>\$ (132,775,730)</u>
Building Construction Fund	<u>\$ 120,000</u>	<u>\$ 50,000</u>	<u>\$ (70,000)</u>
Debt Service Fund	<u>\$ 5,881,859</u>	<u>\$ 9,879,559</u>	<u>\$ 3,997,700</u>

EXPENDITURES

General Fund

	Final 2019-2020	Preliminary 2020-2021	Change from Final to Preliminary
Salaries	\$ 36,988,430	\$ 37,304,869	\$ 316,439
Employee Benefits	14,074,975	14,383,084	308,109
Purchased Services	9,107,106	8,839,555	(267,551)
Supplies and Materials	2,878,459	2,672,859	(205,600)
Capital Expenditures	564,893	583,894	19,001
Other Expenditures	376,068	376,691	623
Total Expenditures	\$ 63,989,931	\$ 64,160,952	\$ 171,021

District and School Admin	\$ 2,136,813	\$ 2,152,670	\$ 15,857
District Support Services	3,116,123	2,820,495	(295,628)
Regular Instruction	29,402,116	29,379,624	(22,492)
Vocational Instruction	1,041,775	1,091,576	49,801
Special Education Instruction	13,510,066	13,652,669	142,603
Instructional Support Services	3,077,092	3,090,287	13,195
Pupil Support Services	4,787,924	4,923,186	\$ 135,262
Operations and Maintenance	6,708,367	6,844,800	136,433
Fixed Cost and Debt Service	209,655	205,645	(4,010)
Total Expenditures	\$ 63,989,931	\$ 64,160,952	\$ 171,021



	Final	Preliminary	Change from Final
	2019-2020	2020-2021	to Preliminary
Food Service Fund			
Salaries	\$ 1,112,847	\$ 1,166,508	\$ 53,661
Employee Benefits	377,569	383,469	5,900
Purchased Services	59,027	41,775	(17,252)
Supplies and Materials	1,348,248	1,317,171	(31,077)
Capital Expenditures	10,000	5,000	(5,000)
Other Expenditures	5,700	4,927	(773)
Total Expenditures	\$ 2,913,391	\$ 2,918,850	\$ 5,459
Community Service Fund			
Salaries	\$ 1,155,813	\$ 1,138,338	\$ (17,475)
Employee Benefits	324,650	327,291	2,641
Purchased Services	1,770,067	1,770,377	310
Supplies and Materials	111,160	119,717	8,557
Capital Expenditures	22,837	10,509	(12,328)
Other Expenditures	9,075	9,075	-
Total Expenditures	\$ 3,393,602	\$ 3,375,307	\$ (18,295)
OHS Building Construction Fund	\$ 1,655,000	\$ 6,432,285	\$ 4,777,285
Building Construction Fund	\$ 5,338,365	\$ 4,852,502	\$ (485,863)
Debt Service Fund	\$ 5,862,445	\$ 9,472,430	\$ 3,609,985

FUND BALANCE SUMMARY

Below is the table that contains the proposed budget for the 2020-21 school year. This is the budget the Board is being asked to approve for fiscal year 2021.

	Year Ended June 30, 2021								
	General Fund	Food Service Fund	Community Service Fund	OHS Building Construction Fund	Building Construction Fund	Debt Service Fund	Trust Fund	Health Internal Service Fund	Dental Internal Service Fund
Revenues	\$ 63,070,747	\$ 2,935,762	\$ 3,450,057	\$ 600,000	\$ 50,000	\$ 9,879,559	\$ 1,025	\$ 9,501,000	\$ 500,500
Expenditures	(64,160,952)	(2,918,850)	(3,375,307)	(6,432,285)	(4,852,502)	(9,472,430)	(2,092)	(9,550,000)	(500,500)
Net Change in Fund Balance	(1,090,205)	16,912	74,750	(5,832,285)	(4,802,502)	407,129	(1,067)	(49,000)	-
FUND BALANCE									
Beginning of Year	6,806,334	789,948	1,274,824	131,720,730	4,802,502	1,344,978	1,322	140,511	43,421
End of Year	\$ 5,716,129	\$ 806,860	\$ 1,349,574	\$ 125,888,445	\$ -	\$ 1,752,107	\$ 255	\$ 91,511	\$ 43,421
Restricted Fund Balance	\$ 2,408,926	\$ 759,893	\$ 1,322,574	\$ 125,888,445	\$ -	\$ 1,752,107	\$ 255	\$ 91,511	\$ 43,421
Nonspendable Fund Balance	170,646	46,967	27,000	-	-	-	-	-	-
Unassigned Fund Balance	3,136,557	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 5,716,129	\$ 806,860	\$ 1,349,574	\$ 125,888,445	\$ -	\$ 1,752,107	\$ 255	\$ 91,511	\$ 43,421
Unassigned Fund Balance as a Percentage of Expenditures	4.89%	26.03%	39.18%	1957.13%	0.00%	18.50%	12.19%	0.96%	8.68%
Total Fund Balance as a Percentage of Expenditures	8.91%	27.64%	39.98%	1957.13%	0.00%	18.50%	12.19%	0.96%	8.68%

The fiscal year 2020 auditing process will validate the actual financial performance of the District and those results could change the listed ending fund balances for 2019-20. As always, any such adjustments will be used in the 2020-21 final budget, which the Board typically approves in February.

**OWATONNA PUBLIC SCHOOLS, ISD #761
OPERATING CAPITAL EXPENDITURES (FIN 302)
2020-21 PRELIMINARY BUDGET**

Projected Beginning Balance		\$ 383,896
Revenue		
Operating Capital - Aid	909,095	
Operating Capital - Levy	293,018	
Lease Levy	<u>304,720</u>	
Total Revenue		1,506,833
Expenditures		
Fixed		
Taxes/Assessments	87,665	
Four Seasons Lease	58,000	
Gymnastic's Lease	5,000	
CVSEC	250,000	
Copiers		
- District wide	49,865	
- Lincoln	3,403	
- McKinley	3,403	
- Washington	3,403	
- Wilson	3,403	
- OMS	10,174	
- OHS	19,249	
- ALC	1,896	
- Special Services	1,885	
Postage Machine	1,428	
District Van	<u>4,680</u>	
Total Fixed Expense	<u>503,455</u>	
Operating Capital Allocation		
OHS	\$ 15.00 1,812.00	27,180
OMS	\$ 15.00 1,335.60	20,034
All Elementary Specialists		3,600
K-5		27,810
ALC	\$ 15.00 96.00	<u>1,440</u>
Total Building Operating Capital Allocations		80,064
Program Operating Capital Allocations		
Athletics		36,000
Curriculum		155,000
Curriculum- F&P Purchase		25,000
District Administration		40,000
Finance		15,000
Operations & Maintenance/ Safety		100,000
Special Education		30,000
Infinite Campus		65,000
Technology - LCM		455,000
Technology - Instructional Software		<u>33,000</u>
Total Program Operating Capital Allocations		954,000
Total Expenditures		<u>1,537,519</u>
Addition (Reduction) To Fund Balance		<u>(30,686)</u>
Projected Ending Balance		<u>\$ 353,210</u>

SUPPLEMENTAL INFORMATION

ACTIVITIES PROGRAM

OHS Activities Expenditure Budget

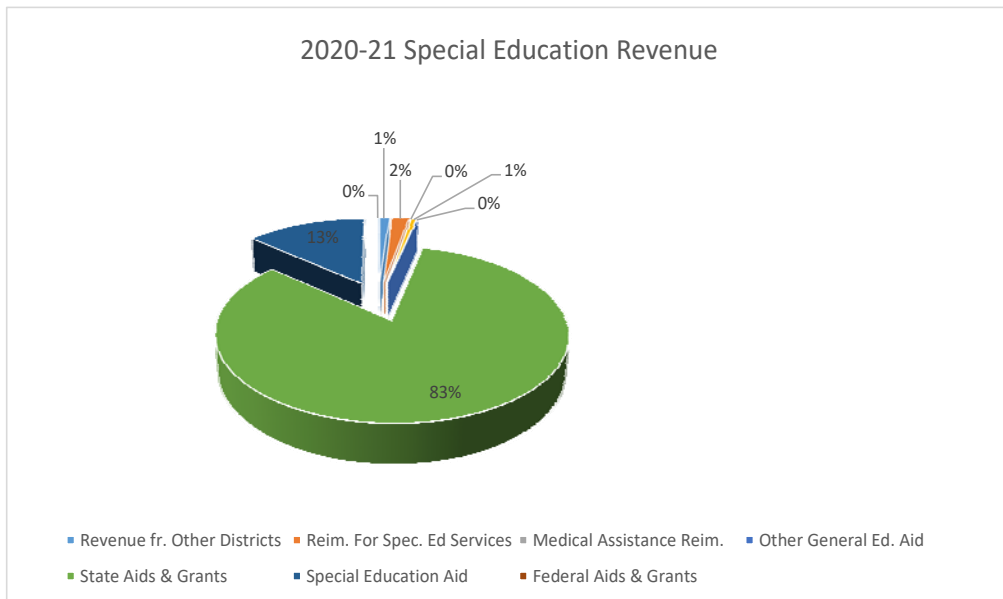
	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Actual</u>	<u>2019-20</u> <u>Budget</u>	<u>2020-21</u> <u>Budget</u>
Adaptive Athletics	12,623	11,591	14,895	13,541
<u>Boys Athletics</u>				
Baseball	28,465	34,703	34,843	30,616
Basketball *	45,708	58,524	56,714	53,188
Cross Country	13,373	13,554	12,922	13,223
Football *	68,287	71,780	76,133	73,543
Soccer	33,194	34,964	36,667	31,720
Golf	13,501	17,000	13,752	12,379
Hockey *	34,519	36,741	38,638	33,326
Swimming *	22,164	25,642	24,775	24,174
Tennis	14,961	15,744	16,428	13,856
Track	29,303	28,520	31,664	28,857
Wrestling *	30,250	34,792	36,262	37,498
LaCrosse *	21,577	25,656	28,072	26,250
Total Boys Athletics	<u>355,302</u>	<u>397,620</u>	<u>406,870</u>	<u>378,630</u>
<u>Girls Athletics</u>				
Basketball *	38,498	40,408	43,617	47,840
Cross Country	14,295	14,521	14,438	14,693
Soccer	26,909	27,618	33,355	30,301
Golf	7,055	14,591	12,671	12,572
Hockey *	25,441	33,420	36,477	33,776
Swimming *	22,210	26,479	24,266	24,381
Tennis	15,106	15,228	15,807	14,570
Track	24,472	30,720	31,417	30,050
Softball	24,274	29,824	26,745	26,906
Gymnastics *	24,415	16,376	22,104	20,062
Volleyball *	32,904	35,921	37,484	36,964
Cheerleading	17,068	17,264	19,692	19,537
LaCrosse *	18,057	24,597	28,347	23,296
Dance *	21,598	23,688	29,657	24,609
Total Girls Athletics	<u>312,302</u>	<u>350,655</u>	<u>376,077</u>	<u>359,557</u>
<u>Activities</u>				
Publishing	5,213	5,330	5,492	5,633
Link Crew	2,088	2,111	2,178	2,235
Magnet (Newspaper)	15,606	14,204	16,924	17,107
Yearbook	6,502	6,645	6,958	7,141
Robotics	2,086	3,001	3,076	3,152
Speech	11,569	13,059	14,193	12,587
Drama *	35,106	46,726	38,547	37,333
Other	26,657	28,688	30,471	34,278
Total Activities	<u>104,827</u>	<u>119,764</u>	<u>117,839</u>	<u>119,466</u>
<u>Other</u>				
Auditorium Management	7,503	8,710	4,853	4,797
Weight Room	19,805	23,993	30,205	25,854
Athletic Training	42,096	45,142	50,172	31,601
Operating Capital	41,593	37,443	36,000	36,000
Activities Admin., Office Support, Etc.	360,033	380,584	316,534	317,855
Total Other	<u>471,030</u>	<u>495,872</u>	<u>437,764</u>	<u>416,107</u>
TOTAL ACTIVITIES BUDGET	<u><u>1,256,084</u></u>	<u><u>1,375,502</u></u>	<u><u>1,353,445</u></u>	<u><u>1,287,301</u></u>

* Revenue generating activities

SPECIAL EDUCATION

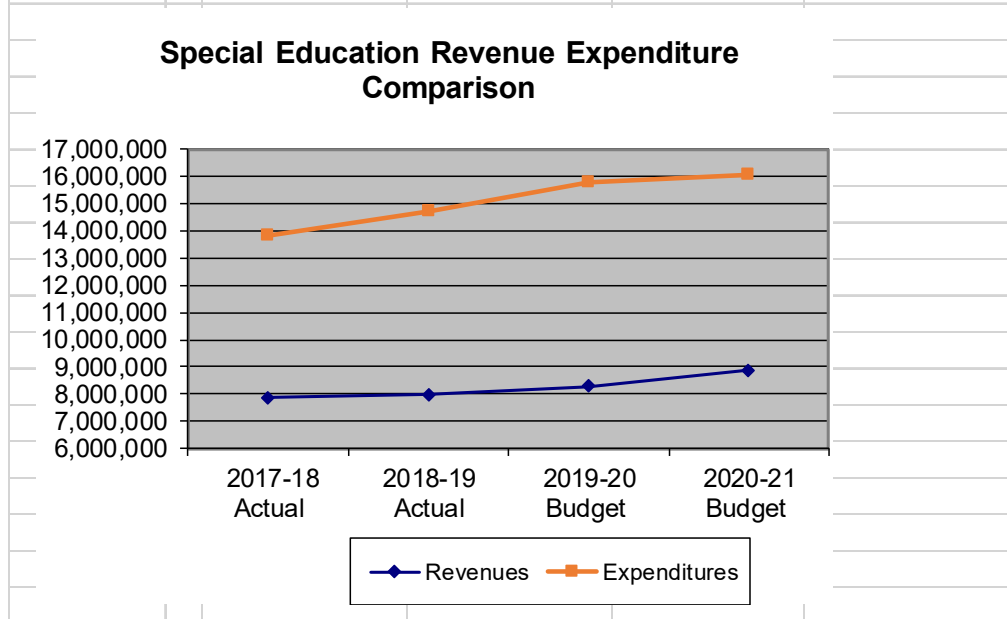
Special Education Revenues by Source

Source	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Budget	Change %	Change Amount
022	Reim. For Spec. Ed Services	\$ 130,019	\$ 147,578	\$ 83,870	\$ 71,913	-14.3%	\$ (11,957)
071	Medical Assistance Reim.	129,568	140,596	150,000	400,000	166.7%	250,000
	Miscellaneous Revenue	200	-	-	-	#DIV/0!	-
211	Other General Ed. Aid	-	-	42,259	61,608	45.8%	19,349
360	Special Education Aid	6,191,532	6,459,412	7,000,000	7,300,000	4.3%	300,000
397	TRA and PERA Special Funding	-	45,211	-	50,000	#DIV/0!	50,000
400	Federal Aids & Grants	1,420,050	1,195,876	1,003,808	1,003,808	0.0%	-
Special Education Totals		\$ 7,871,369	\$ 7,988,673	\$ 8,279,937	\$ 8,887,329	7.34%	\$ 607,392



Special Education Expenditures by Program							
Program	Description	2017-18	2018-19	2019-20	2020-21	Change	Change
		Actual	Actual	Budget	Budget	%	Amount
030	Instructional Administration	\$ 26,872	\$ 28,651	\$ 18,465	\$ 11,590	-37.2%	\$ (6,875)
400	General Special Ed.	411,845	514,212	296,763	343,686	15.8%	46,923
401	Speech/Lang. Impaired	662,372	161,514	283,180	417,090	47.3%	133,910
402	Mild-Mod. Mentally Imp.	377,782	958,816	1,189,865	1,191,475	0.1%	1,610
403	Mod.-Severe Mentally Imp.	88,660	182,014	265,509	272,096	2.5%	6,587
404	Physically Impaired	166,638	129,287	165,345	178,424	7.9%	13,079
405	Deaf - Hard of Hearing	198,781	107,260	85,752	98,407	14.8%	12,655
406	Visually Impaired	148,363	79,741	100,868	166,775	65.3%	65,907
407	Specific Learning Disability	1,944,432	1,801,274	1,794,898	1,850,189	3.1%	55,291
408	Emot/Behavioral Disorder	1,221,150	1,025,156	1,007,492	1,014,560	0.7%	7,068
409	Deaf - Blind	593	-	-	-	#DIV/0!	-
410	Other Health Impaired	826,662	1,154,898	1,014,980	978,822	-3.6%	(36,158)
411	Autism	775,397	1,377,827	1,454,214	1,457,521	0.2%	3,307
412	Early Childhood Spec. Ed.	2,137,619	2,354,885	2,795,177	2,539,090	-9.2%	(256,087)
414	Traumatic Brain Inj	26,891	6,469	6,885	7,440	8.1%	555
416	Multiple Handicap	62,983	175,123	81,502	92,812	13.9%	11,310
420	Special Education General	2,497,475	2,181,672	2,188,194	2,278,731	4.1%	90,537
422	Special Ed Students w/o Disabilities	694,120	700,138	738,442	765,551	3.7%	27,109
640	Staff Development	-	1,329	-	-	#DIV/0!	-
760	Pupil Transportation	1,565,235	1,783,942	2,313,787	2,383,200	3.0%	69,413
850	Capital Facilities	1,836	-	-	-	0.0%	-
Special Education Totals		\$ 13,835,706	\$ 14,724,208	\$ 15,801,318	\$ 16,047,459	1.6%	\$ 246,141

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Budget
Revenues	7,871,369	7,988,673	8,279,937	8,887,329
Expenditures	13,835,706	14,724,208	15,801,318	16,047,459



Fund

The Minnesota Department of Education breaks school district financial reporting into several funds. Each fund is a fiscal and accounting entity with a self-balancing set of accounts. Transfers between funds are allowed only as specified by statute. In general, revenues may be transferred from the General Fund to any operating fund only to eliminate a deficit; such a transfer requires board action.

List of ISD 761 Funds:

Operating Funds

General Fund

Accounts for all revenues and expenditure of the district not accounted for elsewhere. Special Services is accounted for separately, but is part of the General Fund.

Food Service Fund

Records the financial activities of the district's Nutrition Service program.

Community Service Fund

Records the financial activities of Community Service program.

Non-Operating Funds

OHS Building Construction Fund

Records all operations of the district's building construction program for the new Owatonna High School that is funded by the sale of bonds, capital loans, or the Alternative Bonding Program.

Building Construction Fund

Records all operations of the district's building construction programs that are funded by the sale of bonds, capital loans, or the Alternative Bonding Program.

Debt Service Fund

Records revenues and expenditures for the district's outstanding bond indebtedness, whether for building construction or operating capital.

Fiduciary Funds

Trust Fund

The district is a fiscal intermediary for the OHS Museum, and uses this fund to account for the income and expenses of these activities.

Health Internal Service Fund

Accounts for the financing of goods or services provided by one department to another within the district. The beginning balance is a carryover of funds remaining from prior self-insured health plan activities. The district will be self-insured for health insurance again beginning September 1, 2020.

Dental Internal Service Fund

Accounts for the financing of goods or services provided by one department to another within the district. The Dental Internal Service Fund is currently active for the self-insured dental plan the district operates.

PROGRAM

The program dimension of district accounting is used to designate the programmatic areas in which financial activity takes place. The ten categories of the program series are as follows:

1. Administration

This budget category includes all costs associated with District management. It includes all budgets associated with the school board, superintendent, special services and ALC. It also includes costs related to head principals and head secretaries.

2. District Support Services

This budget category includes all costs associated with district support services including district level administrative support, business office support, human resource office support, information technology departments, legal, communications, offset, and elections.

3. Elementary and Secondary Regular Instruction

This budget category includes all costs associated with classroom activities including teachers and teacher aides and instructional supplies. It also includes all costs associated with the extracurricular program.

4. Vocational Education Instruction

Vocational teachers and expenses.

5. Special Education Instruction

This budget category includes all costs associated with the special education programs and services including teachers and paraprofessionals.

6. Community Education and Services

All expenses related to Community Education

7. Instructional Support Services

This budget category includes curriculum, educational media, staff development, and assistant principals.

8. Pupil Support Services

This budget category includes all costs associated with the provision of special services that enhance student attendance and performance in school. Pupil Support Services includes counseling, health services, social workers, assistant secretaries, and transportation.

9. Sites and Buildings

This budget category includes all costs associated with the maintenance and upkeep of our various buildings and grounds. Personnel, utilities, and supplies are included within these costs.

10. Fiscal and Other Fixed Costs Programs

This budget category includes costs associated with retirement of long-term obligations, severance pay and benefits, technology, property insurance, and special projects involving purchases exceeding \$500.