

2020-2021 FINAL BUDGET

**PRESENTED TO THE
SCHOOL BOARD
FEBRUARY 8, 2021**

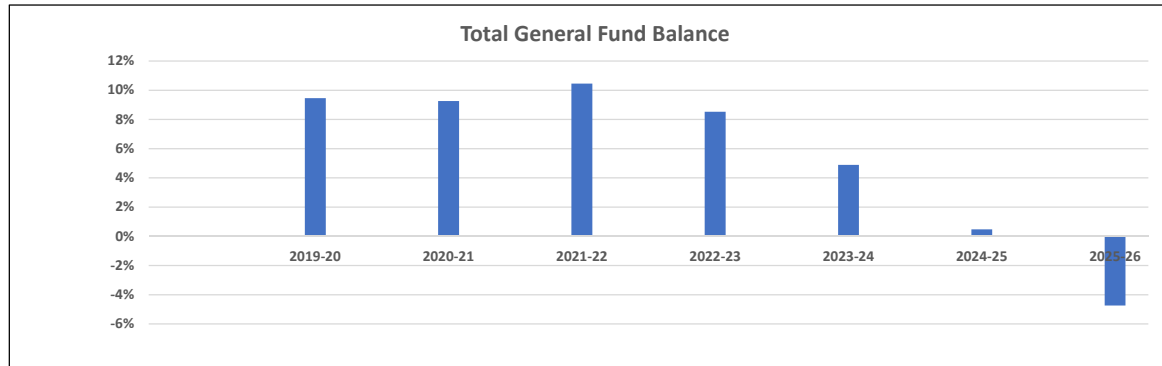
Owatonna Public Schools
Independent School District No. 761
515 West Bridge Street
Owatonna, MN 55060

The logo for Owatonna Public Schools features the word "OWATONNA" in a large, bold, black sans-serif font. Above the letter "O" is a blue icon of a graduation cap. 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 February 8, 2021 (General Fund Only)

| | (\$500,000 Budget Cuts) 2019-20 | (\$2,000,000 Budget Cuts) 2020-21 | (\$2,000,000 Budget Cuts) 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|------------------------------------|--------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | |
| Unassigned Fund Balance | \$ 5,899,575 | \$ 6,001,290 | \$ 6,735,007 | \$ 5,634,100 | \$ 3,350,924 | \$ 337,027 | \$ (3,442,758) |
| Restricted Fund Balance | 3,802,223 | 3,729,974 | 3,729,974 | 3,729,974 | 3,729,974 | 3,729,974 | 3,729,974 |
| Nonspendable Fund Balance | 214,828 | 214,828 | 214,828 | 214,828 | 214,828 | 214,828 | 214,828 |
| Total Fund Balance | <u>\$ 9,916,626</u> | <u>\$ 9,946,092</u> | <u>\$ 10,679,809</u> | <u>\$ 9,578,902</u> | <u>\$ 7,295,726</u> | <u>\$ 4,281,829</u> | <u>\$ 502,044</u> |
| | | | | | | | |
| Total Revenues | <u>\$ 63,330,116</u> | <u>\$ 64,824,263</u> | <u>\$ 65,148,384</u> | <u>\$ 64,924,126</u> | <u>\$ 66,222,609</u> | <u>\$ 67,547,061</u> | <u>\$ 68,898,002</u> |
| | | | | | | | |
| Total Expenditures | <u>\$ 62,336,934</u> | <u>\$ 64,794,797</u> | <u>\$ 64,414,667</u> | <u>\$ 66,025,034</u> | <u>\$ 68,505,785</u> | <u>\$ 70,560,958</u> | <u>\$ 72,677,787</u> |
| | | | | | | | |
| Total Fund Balance as a % of Total Expenditures | <u>15.91%</u> | <u>15.35%</u> | <u>16.58%</u> | <u>14.51%</u> | <u>10.65%</u> | <u>6.07%</u> | <u>0.69%</u> |
| | | | | | | | |
| Unassigned Fund Balance as a % of Total Expenditures | <u>9.46%</u> | <u>9.26%</u> | <u>10.46%</u> | <u>8.53%</u> | <u>4.89%</u> | <u>0.48%</u> | <u>-4.74%</u> |



Assumptions:

- 1) 0.5% increase in revenues for 2021-22 and 2022-23, 2% for 2023-24 and beyond
- 2) 2.5% increase in expenditures for 2021-22 and 2022-23, 3% for 2023-24 and beyond
- 3) Reduce \$550,000 in 2022-23 for Achievement and Integration Grant Reduction
- 4) Add \$500,000 in expenditures in 2023-24 for Career Pathways Program at new OHS
- 5) Our current operating levy renewal goes through June 30, 2031. No levy increase assumed for this forecast.
- 6) No change in ADMs are assumed in this forecast.

Notes:

- 1) Board Target for Unassigned Fund Balance is 8%-10%

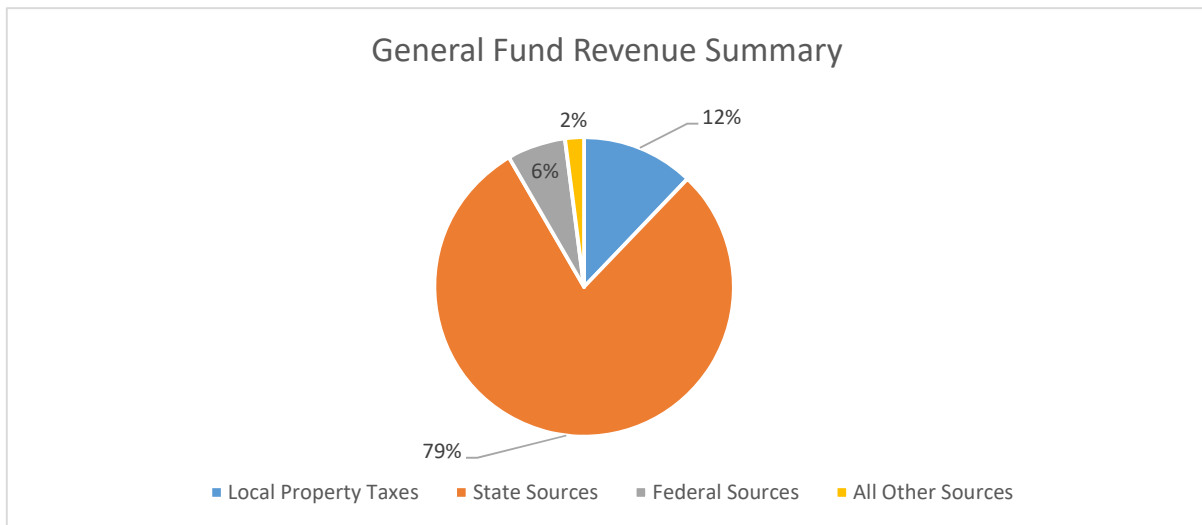
REVENUES

General Fund

| | Actual 2019-2020 | Preliminary 2020-2021 | Revised 2020-2021 | Change Preliminary to Revised |
|-----------------------|----------------------|--------------------------|----------------------|----------------------------------|
| Local Property Taxes | \$ 7,411,493 | \$ 7,856,511 | \$ 7,883,807 | \$ 27,296 |
| State Sources | 52,149,563 | 51,714,168 | 51,513,474 | (200,694) |
| Federal Sources | 2,165,753 | 2,129,617 | 4,106,907 | 1,977,290 |
| All Other Sources | 1,603,307 | 1,370,451 | 1,320,075 | (50,376) |
| Total Revenues | \$ 63,330,116 | \$ 63,070,747 | \$ 64,824,263 | \$ 1,753,516 |

Detailed State Sources

| | | | | |
|----------------------------------|----------------------|----------------------|----------------------|---------------------|
| Endowment | \$ 222,637 | \$ 221,356 | \$ 207,647 | \$ (13,709) |
| General Education Aid | 42,156,536 | 42,096,042 | 41,731,032 | (365,010) |
| Literacy Aid | 236,294 | 236,295 | 236,295 | - |
| Shared Time Aid | 25,044 | 23,039 | 25,044 | 2,005 |
| Abatement Aid | 4,615 | 4,100 | 17,299 | 13,199 |
| Disparity Reduction Aid | 9,216 | 9,216 | 6,893 | (2,323) |
| Homestead/Ag Market Value Credit | 14,720 | 70 | 11,974 | 11,904 |
| State Aids and Grants | 1,891,456 | 1,608,750 | 1,561,990 | (46,760) |
| Special Education | 7,390,592 | 7,300,000 | 7,500,000 | 200,000 |
| Miscellaneous Revenue from MDE | 7,359 | 20,000 | 20,000 | - |
| Direct TRA/PERA Aid | 191,094 | 195,300 | 195,300 | - |
| Total State Sources | \$ 52,149,563 | \$ 51,714,168 | \$ 51,513,474 | \$ (200,694) |



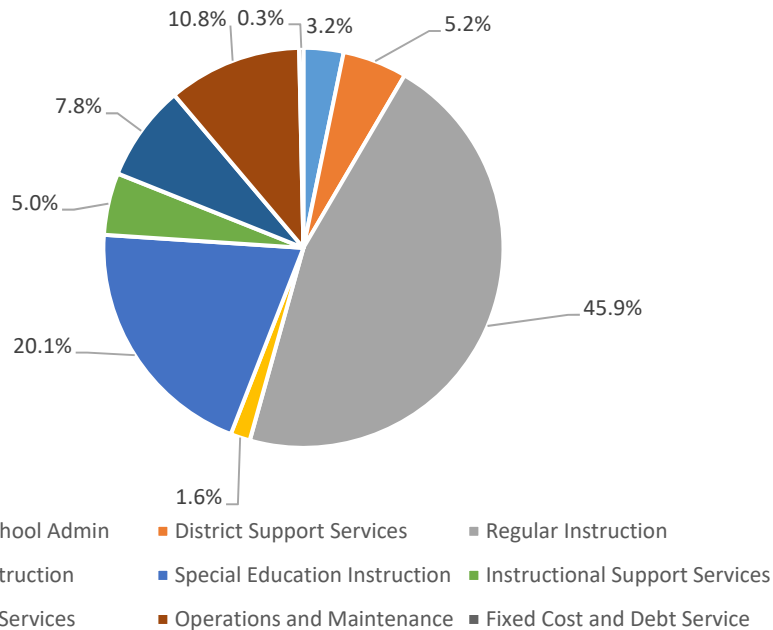
REVENUES

| | <u>Actual</u> <u>2019-2020</u> | <u>Preliminary</u> <u>2020-2021</u> | <u>Revised</u> <u>2020-2021</u> | <u>Change Preliminary</u> <u>to Revised</u> |
|---------------------------------------|-----------------------------------|--|------------------------------------|--|
| Food Service Fund | | | | |
| State Sources | \$ 131,913 | \$ 181,011 | \$ 33,745 | \$ (147,266) |
| Federal Sources | 1,621,015 | 1,587,523 | 2,131,202 | 543,679 |
| All Other Sources | 880,596 | 1,167,228 | 69,941 | (1,097,287) |
| Total Revenues | <u>\$ 2,633,524</u> | <u>\$ 2,935,762</u> | <u>\$ 2,234,888</u> | <u>\$ (700,874)</u> |
| | | | | |
| Community Service Fund | | | | |
| Local Property Taxes | \$ 302,539 | \$ 308,059 | \$ 309,023 | \$ 964 |
| State Sources | 2,196,243 | 2,204,220 | 2,270,940 | 66,720 |
| Federal Sources | 145,581 | 157,148 | 156,383 | (765) |
| All Other Sources | 809,250 | 780,630 | 566,517 | (214,113) |
| Total Revenues | <u>\$ 3,453,613</u> | <u>\$ 3,450,057</u> | <u>\$ 3,302,863</u> | <u>\$ (147,194)</u> |
| | | | | |
| OHS Building Construction Fund | <u>\$ 133,604,330</u> | <u>\$ 600,000</u> | <u>\$ 810,000</u> | <u>\$ 210,000</u> |
| | | | | |
| Building Construction Fund | <u>\$ 69,698</u> | <u>\$ 50,000</u> | <u>\$ 2,500</u> | <u>\$ (47,500)</u> |
| | | | | |
| Debt Service Fund | <u>\$ 5,868,850</u> | <u>\$ 9,879,559</u> | <u>\$ 9,874,559</u> | <u>\$ (5,000)</u> |

EXPENDITURES

| General Fund | Actual 2019-2020 | Preliminary 2020-2021 | Revised 2020-2021 | Change Preliminary to Revised |
|--------------------------------|----------------------|--------------------------|----------------------|----------------------------------|
| Salaries | \$ 36,408,965 | \$ 37,304,869 | \$ 36,874,534 | \$ (430,335) |
| Employee Benefits | 13,602,775 | 14,383,084 | 13,722,398 | (660,686) |
| Purchased Services | 8,938,481 | 8,829,555 | 9,181,798 | 352,243 |
| Supplies and Materials | 2,749,046 | 2,682,464 | 3,810,714 | 1,128,250 |
| Capital Expenditures | 358,233 | 584,289 | 828,150 | 243,861 |
| Other Expenditures | 279,434 | 376,691 | 377,203 | 512 |
| Total Expenditures | <u>\$ 62,336,934</u> | <u>\$ 64,160,952</u> | <u>\$ 64,794,797</u> | <u>\$ 633,845</u> |
| | | | | |
| District and School Admin | \$ 2,077,311 | \$ 2,152,275 | \$ 2,097,724 | \$ (54,551) |
| District Support Services | 2,881,582 | 2,820,495 | 3,373,912 | 553,417 |
| Regular Instruction | 28,733,333 | 29,380,019 | 29,732,843 | 352,824 |
| Vocational Instruction | 1,013,068 | 1,091,576 | 1,026,523 | (65,053) |
| Special Education Instruction | 13,040,657 | 13,652,669 | 13,040,260 | (612,409) |
| Instructional Support Services | 2,954,257 | 3,090,287 | 3,248,039 | 157,752 |
| Pupil Support Services | 5,043,110 | 4,923,186 | 5,038,895 | 115,709 |
| Operations and Maintenance | 6,388,406 | 6,844,800 | 7,013,606 | 168,806 |
| Fixed Cost and Debt Service | 205,210 | 205,645 | 222,995 | 17,350 |
| Total Expenditures | <u>\$ 62,336,934</u> | <u>\$ 64,160,952</u> | <u>\$ 64,794,797</u> | <u>\$ 633,845</u> |

General Fund Expenditure Summary



EXPENDITURES

| | Actual 2019-2020 | Preliminary 2020-2021 | Revised 2020-2021 | Change Preliminary to Revised |
|---------------------------------------|---------------------|--------------------------|----------------------|----------------------------------|
| Food Service Fund | | | | |
| Salaries | \$ 1,049,662 | \$ 1,166,508 | \$ 1,115,521 | \$ (50,987) |
| Employee Benefits | 377,282 | 383,469 | 392,381 | 8,912 |
| Purchased Services | 34,855 | 41,775 | 42,185 | 410 |
| Supplies and Materials | 1,250,266 | 1,317,171 | 1,108,812 | (208,359) |
| Capital Expenditures | - | 5,000 | 2,500 | (2,500) |
| Other Expenditures | 2,528 | 4,927 | 4,927 | - |
| Total Expenditures | <u>\$ 2,714,593</u> | <u>\$ 2,918,850</u> | <u>\$ 2,666,326</u> | <u>\$ (252,524)</u> |
| | | | | |
| Community Service Fund | | | | |
| Salaries | \$ 1,024,892 | \$ 1,138,338 | \$ 1,074,517 | \$ (63,821) |
| Employee Benefits | 305,556 | 327,291 | 333,117 | 5,826 |
| Purchased Services | 1,648,857 | 1,770,377 | 1,634,343 | (136,034) |
| Supplies and Materials | 151,062 | 119,717 | 142,287 | 22,570 |
| Capital Expenditures | 30,003 | 10,509 | 10,509 | - |
| Other Expenditures | 16,829 | 9,075 | 10,777 | 1,702 |
| Total Expenditures | <u>\$ 3,177,199</u> | <u>\$ 3,375,307</u> | <u>\$ 3,205,550</u> | <u>\$ (169,757)</u> |
| | | | | |
| OHS Building Construction Fund | <u>\$ 3,051,867</u> | <u>\$ 6,432,285</u> | <u>\$ 6,432,285</u> | <u>\$ -</u> |
| | | | | |
| Building Construction Fund | <u>\$ 603,115</u> | <u>\$ 4,852,502</u> | <u>\$ 4,687,446</u> | <u>\$ (165,056)</u> |
| | | | | |
| Debt Service Fund | <u>\$ 5,861,950</u> | <u>\$ 9,472,430</u> | <u>\$ 9,472,430</u> | <u>\$ -</u> |

BUDGET SUMMARY - YEAR ENDED JUNE 30, 2021

| | <u>General Fund</u> | <u>Food Service Fund</u> | <u>Community Service Fund</u> | <u>OHS Building Construction 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 | \$ 64,824,263 | \$ 2,234,888 | \$ 3,302,863 | \$ 810,000 | \$ 2,500 | \$ 9,874,559 | \$ 1,010 | \$ 8,600,500 | \$ 425,250 |
| Expenditures | (64,794,797) | (2,666,326) | (3,205,550) | (6,432,285) | (4,687,446) | (9,472,430) | (853) | (8,600,000) | (425,000) |
| Net Change in Fund Balance | 29,466 | (431,438) | 97,313 | (5,622,285) | (4,684,946) | 402,129 | 157 | 500 | 250 |
| FUND BALANCE | | | | | | | | | |
| Beginning of Year | <u>9,916,626</u> | <u>670,305</u> | <u>1,496,477</u> | <u>130,552,465</u> | <u>4,684,946</u> | <u>1,332,464</u> | <u>2,627</u> | <u>151,822</u> | <u>141,035</u> |
| End of Year | <u>\$ 9,946,092</u> | <u>\$ 238,867</u> | <u>\$ 1,593,790</u> | <u>\$ 124,930,180</u> | <u>\$ -</u> | <u>\$ 1,734,593</u> | <u>\$ 2,784</u> | <u>\$ 152,322</u> | <u>\$ 141,285</u> |
| Restricted Fund Balance | \$ 3,729,974 | \$ 191,900 | \$ 1,566,790 | \$ 124,930,180 | \$ - | \$ 1,734,593 | \$ 2,784 | \$ 152,322 | \$ 141,285 |
| Nonspendable Fund Balance | 214,828 | 46,967 | 27,000 | - | - | - | - | - | - |
| Unassigned Fund Balance | <u>6,001,290</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balance | <u>\$ 9,946,092</u> | <u>\$ 238,867</u> | <u>\$ 1,593,790</u> | <u>\$ 124,930,180</u> | <u>\$ -</u> | <u>\$ 1,734,593</u> | <u>\$ 2,784</u> | <u>\$ 152,322</u> | <u>\$ 141,285</u> |
| Unassigned Fund Balance as a Percentage of Expenditures | <u>9.26%</u> | <u>8.96%</u> | <u>49.72%</u> | <u>1942.24%</u> | <u>0.00%</u> | <u>18.31%</u> | <u>326.38%</u> | <u>1.77%</u> | <u>33.24%</u> |
| Total Fund Balance as a Percentage of Expenditures | <u>15.35%</u> | <u>8.96%</u> | <u>49.72%</u> | <u>1942.24%</u> | <u>0.00%</u> | <u>18.31%</u> | <u>326.38%</u> | <u>1.77%</u> | <u>33.24%</u> |

**Budget Adjustments Since FY '21 Preliminary Budget Approved in June 2020
As of February 8, 2021 (General Fund Only)**

| 2020-21 FINAL BUDGET | <u>Item</u> | <u>Revenues ¹</u> | <u>Expenditures ²</u> | <u>Comments</u> |
|---|---|------------------------------|----------------------------------|---|
| | 1 Adjust Tax Levy | 27,296 | | Adjust Tax Levy to actual |
| | 2 Adjust Endowment State Aid | (13,709) | | Adjust Endowment Aid to actual |
| | 2 Adjust General Education State Aid | (365,010) | | Adjust State Aid to actual based on updated enrollment |
| | 3 Adjust Federal Grant Revenue/Expenditure | 1,977,290 | | Budget for CRF, ESSR, and GEER funding |
| | 4 Adjust Tax Credit Aid Revenue | 24,785 | | Increase to match tax credit aid entitlement for FY 2021 |
| | 5 Adjust Special Education State Aid | 200,000 | | Increase to match aid entitlement for FY 2021 |
| | 6 Adjust Miscellaneous State Aid Revenue | (46,760) | | Decrease to match Achievement and Integration aid entitlement for FY 2021 |
| | 8 Adjust Miscellaneous Local Revenues and Donations | (50,376) | | Decrease interest and admission revenue, offset with new grant revenue |
| | 9 Adjust salaries and benefits | | (1,091,021) | Adjust for benefit elections and actual new hire salaries and unfilled positions |
| | 10 Adjust purchased services | | 352,243 | Adjust for purchased service changes - mainly CRF, ESSR, and GEER expenditures |
| | 11 Adjust supplies and materials | | 1,128,250 | Adjust for supplies and materials changes - mainly CRF, ESSR, and GEER expenditures |
| | 12 Adjust capital expenditures | | 243,861 | Adjust for capital expenditures changes - mainly CRF, ESSR, and GEER expenditures |
| | 13 Adjust dues and memberships | | 512 | Add expenditures for dues and memberships |
| Total Impact to Preliminary Budget | | <u>1,753,516</u> | <u>633,845</u> | 1,119,671 |
| | | - | - | Net Adjustment |
| | | | | |
| June 30, 2020 Ending General Fund Balance \$ 9,916,626 | | | | |
| FY '21 Preliminary Budget Surplus (Deficit) \$ (1,090,205) | | | | |
| FY '21 Final Budget Surplus (Deficit) \$ 29,466 | | | | |
| June 30, 2021 Ending General Fund Balance \$ 9,946,092 | | | | |

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.