

2021-2022 PRELIMINARY BUDGET

**PRESENTED TO THE
SCHOOL BOARD
JUNE 14, 2021**

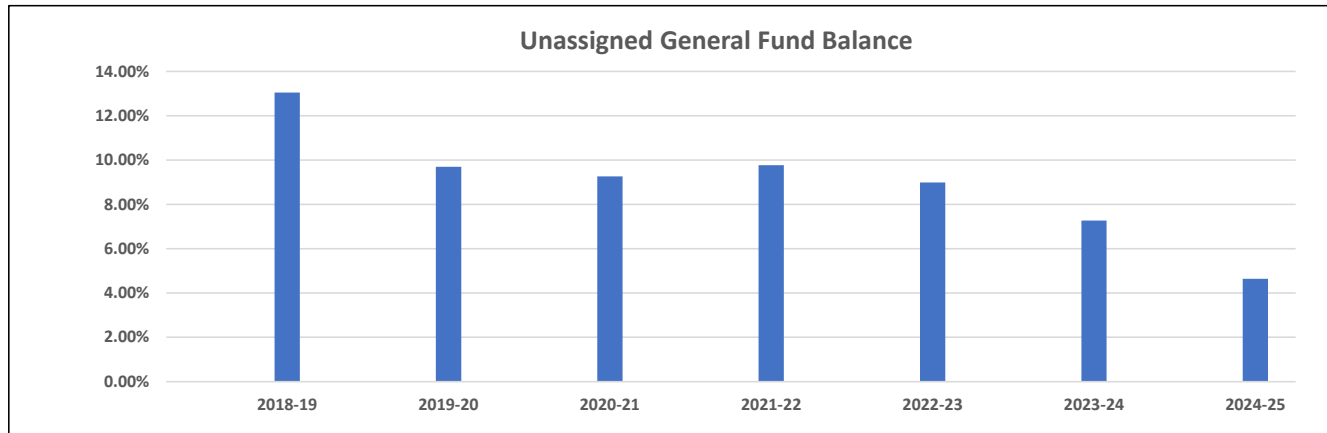
Owatonna Public Schools
Independent School District No. 761
515 West Bridge Street
Owatonna, MN 55060

The logo for Owatonna Public Schools features the word "OWATONNA" in a large, bold, black sans-serif font. Above the letter "O" is a 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 14, 2021 (General Fund Only)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund							
Unassigned Fund Balance	\$ 7,617,897	\$ 5,996,615	\$ 6,001,290	\$ 6,328,189	\$ 5,999,829	\$ 4,997,681	\$ 3,288,253
Restricted Fund Balance	1,454,254	2,527,361	3,729,974	3,716,238	3,716,238	3,716,238	3,716,238
Nonspendable Fund Balance	97,649	214,828	214,828	214,828	214,828	214,828	214,828
Total Fund Balance	\$ 9,169,800	\$ 8,738,804	\$ 9,946,092	\$ 10,259,255	\$ 9,930,895	\$ 8,928,747	\$ 7,219,319
Total Revenues	\$ 59,020,531	\$ 59,975,807	\$ 64,824,263	\$ 65,091,830	\$ 66,393,667	\$ 67,721,540	\$ 69,075,971
Total Expenditures	\$ 58,376,809	\$ 61,842,288	\$ 64,794,797	\$ 64,778,667	\$ 66,722,027	\$ 68,723,688	\$ 70,785,398
Total Fund Balance as a % of Total Expenditures	15.71%	14.13%	15.35%	15.84%	14.88%	12.99%	10.20%
Unassigned Fund Balance as a % of Total Expenditures	13.05%	9.70%	9.26%	9.77%	8.99%	7.27%	4.65%



Assumptions:

- 1) 1% increase in state aid for 21-22 and 2% for 22-23 and beyond
- 2) 5% reduction in services and supplies
- 3) Board Target for Unassigned Fund Balance is 8%-10%
- 5) Current operating levy expires on June 30, 2031. FY 21-22 per pupil amount is \$482.90 plus \$724 Local Optional Revenue
- 6) \$2,000,000 in reductions for FY 21-22
- 7) \$1,844,000 of ESSER II funding is included in the 21-22 budget. ESSER III funds are not included in the 21-22 budget or projections above.

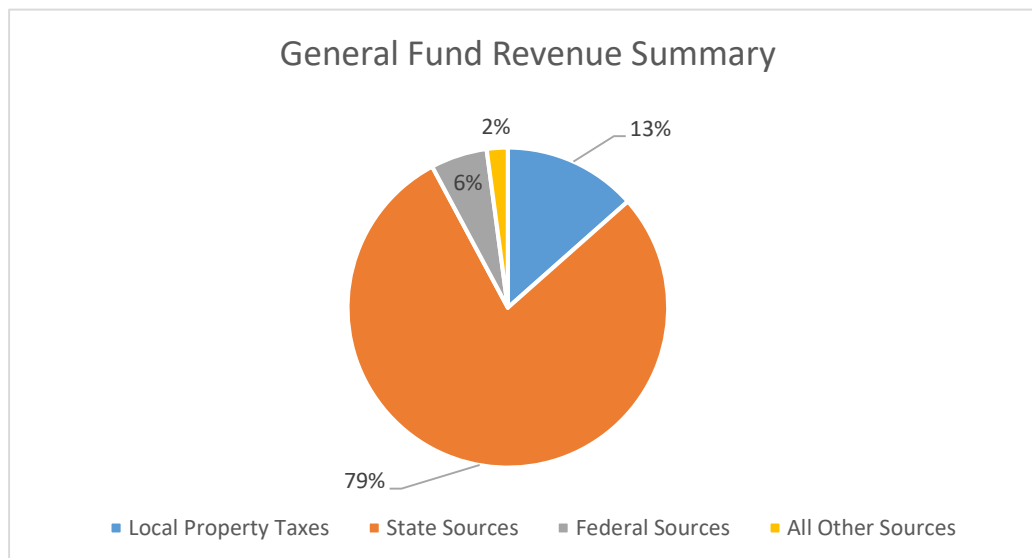
REVENUES

General Fund

	Final 2020-2021	Preliminary 2021-2022	Change from Final to Preliminary
Local Property Taxes	\$ 7,883,807	\$ 8,756,670	\$ 872,863
State Sources	51,513,474	51,241,786	(271,688)
Federal Sources	4,106,907	3,713,923	(392,984)
All Other Sources	1,320,075	1,379,451	59,376
Total Revenues	\$ 64,824,263	\$ 65,091,830	\$ 267,567

Detailed State Sources

Endowment	\$ 207,647	\$ 205,825	\$ (1,822)
General Education Aid	41,731,032	40,988,810	(742,222)
Literacy Aid	236,295	223,963	(12,332)
Shared Time Aid	25,044	25,044	-
Abatement Aid	17,299	17,299	-
Disparity Reduction Aid	6,893	6,893	-
Homestead/Ag Market Value Credit	11,974	11,975	1
Achievement and Integration Aid	363,858	401,236	37,378
State Aids and Grants	1,198,132	1,150,241	(47,891)
Special Education	7,500,000	8,000,000	500,000
Miscellaneous Revenue from MDE	20,000	20,000	-
Direct TRA/PERA Aid	195,300	190,500	(4,800)
Total State Sources	\$ 51,513,474	\$ 51,241,786	\$ (271,688)



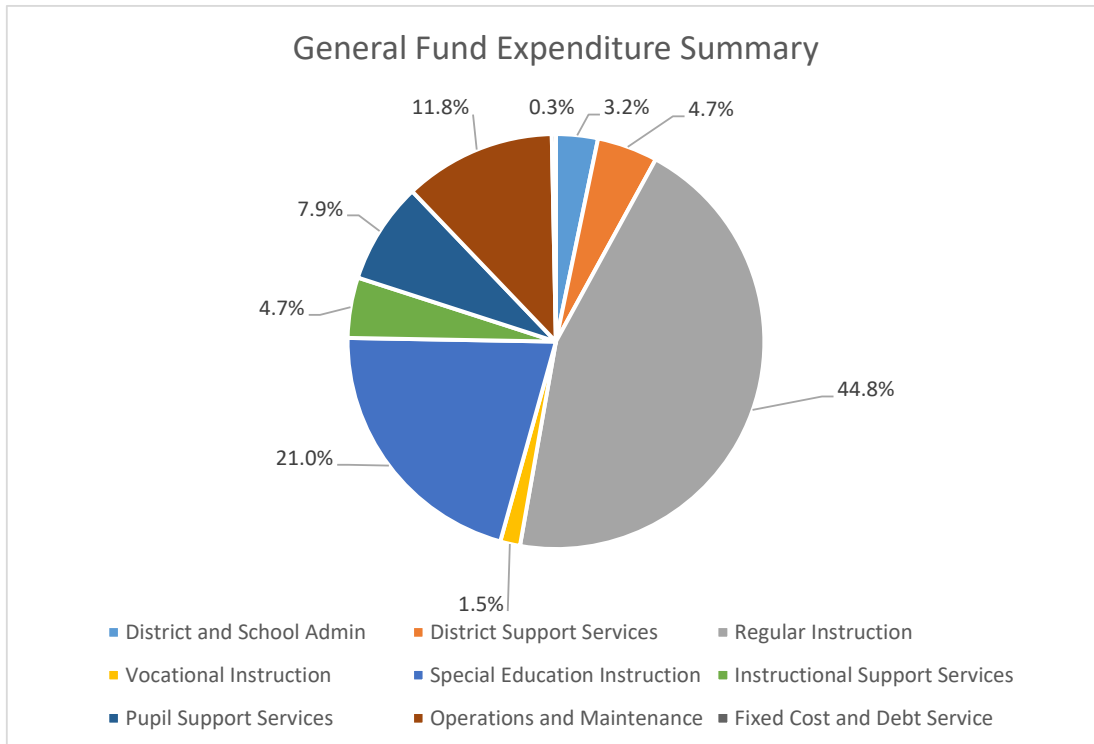
	Final 2020-2021	Preliminary 2021-2022	Change from Final to Preliminary
Food Service Fund			
State Sources	\$ 33,745	\$ 59,606	\$ 25,861
Federal Sources	2,131,202	3,166,754	1,035,552
All Other Sources	69,941	311,450	241,509
Total Revenues	<u>\$ 2,234,888</u>	<u>\$ 3,537,810</u>	<u>\$ 1,302,922</u>
Community Service Fund			
Local Property Taxes	\$ 309,023	\$ 302,374	\$ (6,649)
State Sources	2,270,940	2,277,533	6,593
Federal Sources	156,383	156,383	-
All Other Sources	566,517	635,957	69,440
Total Revenues	<u>\$ 3,302,863</u>	<u>\$ 3,372,247</u>	<u>\$ 69,384</u>
OHS Building Construction Fund	<u>\$ 810,000</u>	<u>\$ 900,000</u>	<u>\$ 90,000</u>
Building Construction Fund	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ (2,500)</u>
Debt Service Fund	<u>\$ 9,874,559</u>	<u>\$ 10,136,363</u>	<u>\$ 261,804</u>

EXPENDITURES

General Fund

	Final 2020-2021	Preliminary 2021-2022	Change from Final to Preliminary
Salaries	\$ 36,874,534	\$ 36,774,027	\$ (100,507)
Employee Benefits	13,722,398	14,438,505	716,107
Purchased Services	9,099,559	8,974,598	(124,961)
Supplies and Materials	3,829,953	3,066,100	(763,853)
Capital Expenditures	941,150	1,165,226	224,076
Other Expenditures	327,203	360,211	33,008
Total Expenditures	\$ 64,794,797	\$ 64,778,667	\$ (16,130)

District and School Admin	\$ 2,097,724	\$ 2,103,513	\$ 5,789
District Support Services	3,436,412	3,042,774	(393,638)
Regular Instruction	29,735,343	29,039,500	(695,843)
Vocational Instruction	1,026,523	999,731	(26,792)
Special Education Instruction	13,040,260	13,583,843	543,583
Instructional Support Services	3,248,039	3,047,364	(200,675)
Pupil Support Services	5,038,895	5,114,369	\$ 75,474
Operations and Maintenance	6,948,606	7,635,758	687,152
Fixed Cost and Debt Service	222,995	211,815	(11,180)
Total Expenditures	\$ 64,794,797	\$ 64,778,667	\$ (16,130)



	Final 2020-2021	Preliminary 2021-2022	Change from Final to Preliminary
Food Service Fund			
Salaries	\$ 1,115,521	\$ 1,201,150	\$ 85,629
Employee Benefits	392,381	423,025	30,644
Purchased Services	42,185	67,100	24,915
Supplies and Materials	1,108,812	1,656,572	547,760
Capital Expenditures	2,500	60,000	57,500
Other Expenditures	4,927	4,927	-
Total Expenditures	<u>\$ 2,666,326</u>	<u>\$ 3,412,774</u>	<u>\$ 746,448</u>
 Community Service Fund			
Salaries	\$ 1,074,517	\$ 1,133,566	\$ 59,049
Employee Benefits	333,117	376,294	43,177
Purchased Services	1,634,343	1,691,165	56,822
Supplies and Materials	142,287	194,646	52,359
Capital Expenditures	10,509	9,509	(1,000)
Other Expenditures	10,777	14,375	3,598
Total Expenditures	<u>\$ 3,205,550</u>	<u>\$ 3,419,555</u>	<u>\$ 214,005</u>
 OHS Building Construction Fund	<u>\$ 6,432,285</u>	<u>\$ 46,516,766</u>	<u>\$ 40,084,481</u>
 Building Construction Fund	<u>\$ 4,687,446</u>	<u>\$ -</u>	<u>\$ (4,687,446)</u>
 Debt Service Fund	<u>\$ 9,472,430</u>	<u>\$ 9,307,650</u>	<u>\$ (164,780)</u>

FUND BALANCE SUMMARY

Below is the table that contains the proposed budget for the 2021-22 school year. This is the budget the Board is being asked to approve for fiscal year 2022.

	Year Ended June 30, 2022								
	General Fund	Food Service Fund	Community Service Fund	OHS Building Construction Fund	Debt Service Fund	Trust Fund	Health Internal Service Fund	Dental Internal Service Fund	
Revenues	\$ 65,091,830	\$ 3,537,810	\$ 3,372,247	\$ 900,000	\$ 10,136,363	\$ 1,510	\$ 9,211,307	\$ 483,524	
Expenditures	(64,778,667)	(3,412,774)	(3,419,555)	(46,516,766)	(9,307,650)	(653)	(9,210,807)	(420,430)	
Net Change in Fund Balance	313,163	125,036	(47,308)	(45,616,766)	828,713	857	500	63,094	
FUND BALANCE									
Beginning of Year	9,946,092	238,867	1,593,790	124,930,180	1,734,593	2,784	152,322	141,285	
End of Year	\$ 10,259,255	\$ 363,903	\$ 1,546,482	\$ 79,313,414	\$ 2,563,306	\$ 3,641	\$ 152,822	\$ 204,379	
Restricted Fund Balance	\$ 3,716,238	\$ 285,336	\$ 1,515,650	\$ 79,313,414	\$ 2,563,306	\$ 3,641	\$ 152,822	\$ 204,379	
Nonspendable Fund Balance	214,828	78,567	30,832	-	-	-	-	-	
Unassigned Fund Balance	6,328,189	-	-	-	-	-	-	-	
Total Fund Balance	\$ 10,259,255	\$ 363,903	\$ 1,546,482	\$ 79,313,414	\$ 2,563,306	\$ 3,641	\$ 152,822	\$ 204,379	
Unassigned Fund Balance as a Percentage of Expenditures	9.77%	8.36%	44.32%	170.51%	27.54%	557.58%	1.66%	48.61%	
Total Fund Balance as a Percentage of Expenditures	15.84%	10.66%	45.22%	170.51%	27.54%	557.58%	1.66%	48.61%	

The fiscal year 2021 auditing process will validate the actual financial performance of the District and those results could change the listed ending fund balances for 2020-21. As always, any such adjustments will be used in the 2021-22 final budget, which the Board typically approves in February.

**OWATONNA PUBLIC SCHOOLS, ISD #761
OPERATING CAPITAL EXPENDITURES (FIN 302)
2021-22 PRELIMINARY BUDGET**

Projected Beginning Balance				\$ 609,007
Revenue				
Operating Capital - Aid			862,719	
Operating Capital - Levy			315,393	
Lease Levy			<u>304,720</u>	
Total Revenue				1,482,832
Expenditures				
Fixed				
Taxes/Assessments			87,665	
Four Seasons Lease			58,000	
Gymnastic's Lease			5,000	
CVSEC			340,000	
Copiers				
- District wide			51,875	
- 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			595,464	
Operating Capital Allocation				
OHS	\$ 15.00	1,861.20	27,918	
OMS	\$ 15.00	1,257.60	18,864	
All Elementary Specialists			3,600	
K-5			27,810	
ALC	\$ 15.00	96.00	<u>1,440</u>	
Total Building Operating Capital Allocations			79,632	
Program Operating Capital Allocations				
Athletics			36,000	
Curriculum			155,000	
District Administration			40,000	
Finance			16,000	
Operations & Maintenance/ Safety			100,000	
Special Education			15,000	
Infinite Campus			65,000	
Technology - Support			73,410	
Technology - LCM			455,000	
Technology - Instructional Software			<u>33,000</u>	
Total Program Operating Capital Allocations			988,410	
Total Expenditures				<u>1,663,506</u>
Addition (Reduction) To Fund Balance				<u>(180,674)</u>
Projected Ending Balance				<u>\$ 428,333</u>

SUPPLEMENTAL INFORMATION

ACTIVITIES PROGRAM

OHS Activities Expenditure Budget

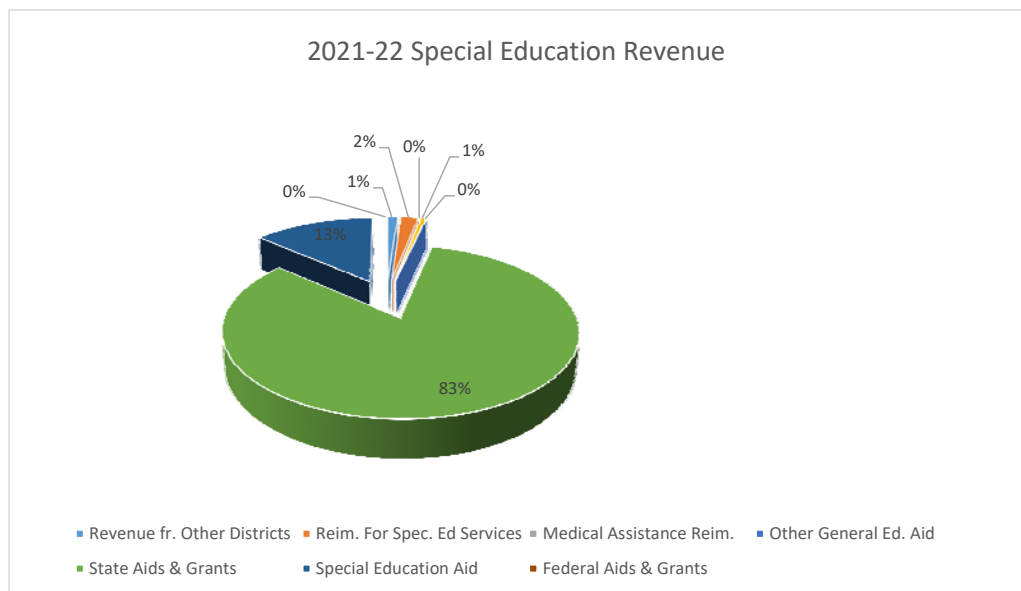
	2018-19	2019-20	2020-21	2021-22
	Actual	Actual	Budget	Budget
Adaptive Athletics	11,591	15,615	8,955	13,160
<u>Boys Athletics</u>				
Baseball	34,703	20,670	29,621	31,389
Basketball *	58,524	58,264	48,835	56,664
Cross Country	13,554	13,210	11,615	13,516
Football *	71,780	75,246	75,095	80,629
Soccer	34,964	33,780	30,865	37,983
Golf	17,000	7,834	12,379	12,469
Hockey *	36,741	36,767	32,441	37,785
Swimming *	25,642	25,360	24,202	25,330
Tennis	15,744	9,534	13,756	16,943
Track	28,520	13,983	24,662	30,973
Wrestling *	34,792	32,830	34,406	36,082
LaCrosse *	25,656	12,834	25,823	27,263
Total Boys Athletics	397,620	340,312	363,700	407,026
<u>Girls Athletics</u>				
Basketball *	40,408	41,234	36,347	51,114
Cross Country	14,521	14,837	13,628	14,868
Soccer	27,618	34,014	29,500	34,631
Golf	14,591	6,790	12,545	12,583
Hockey *	33,420	38,128	32,968	38,267
Swimming *	26,479	24,054	23,878	25,386
Tennis	15,228	15,939	12,325	14,590
Track	30,720	14,997	25,620	31,049
Softball	29,824	14,168	25,906	27,153
Gymnastics *	16,376	19,345	20,062	22,033
Volleyball *	35,921	36,676	31,929	37,715
Cheerleading	17,264	17,832	19,218	19,040
LaCrosse *	24,597	16,262	23,249	24,211
Dance *	23,688	22,591	24,413	23,427
Total Girls Athletics	350,655	316,867	331,588	376,067
<u>Activities</u>				
Publishing	5,330	5,474	5,618	5,641
Link Crew	2,111	2,168	2,228	2,234
Magnet (Newspaper)	14,204	13,997	17,107	16,617
Yearbook	6,645	6,829	7,104	7,149
Robotics	3,001	3,076	3,152	3,152
Speech	13,059	11,350	12,698	13,772
Drama *	46,726	37,749	31,393	36,089
Other	28,688	30,009	34,223	34,183
Total Activities	119,764	110,652	113,523	118,837
<u>Other</u>				
Auditorium Management	8,710	2,554	2,194	3,010
Weight Room	23,993	25,331	21,512	25,823
Athletic Training	45,142	37,840	29,019	11,325
Operating Capital	37,443	27,479	36,000	36,000
Activities Admin., Office Support, Etc.	380,584	287,693	326,532	317,340
Total Other	495,872	380,897	415,257	393,498
TOTAL ACTIVITIES BUDGET	1,375,502	1,164,343	1,233,023	1,308,588

* Revenue generating activities

SPECIAL EDUCATION

Special Education Revenues by Source

Source	Description	2018-19 Actual	2019-20 Actual	2020-21 Budget	2021-22 Budget	Change %	Change Amount
022	Reim. For Spec. Ed Services	\$ 147,578	\$ 136,184	\$ 71,913	\$ 105,000	46.0%	\$ 33,087
071	Medical Assistance Reim.	140,596	479,452	400,000	400,000	0.0%	-
	Miscellaneous Revenue	-	2,000	-	-	#DIV/0!	-
211	Other General Ed. Aid	-	-	61,608	41,467	-32.7%	(20,141)
360	Special Education Aid	6,459,412	7,390,592	7,500,000	8,000,000	6.7%	500,000
397	TRA and PERA Special Funding	45,211	45,998	50,000	46,000	-8.0%	(4,000)
400	Federal Aids & Grants	1,195,876	1,061,516	993,706	960,000	-3.4%	(33,706)
Special Education Totals		\$ 7,988,673	\$ 9,115,742	\$ 9,077,227	\$ 9,552,467	5.24%	\$ 475,240

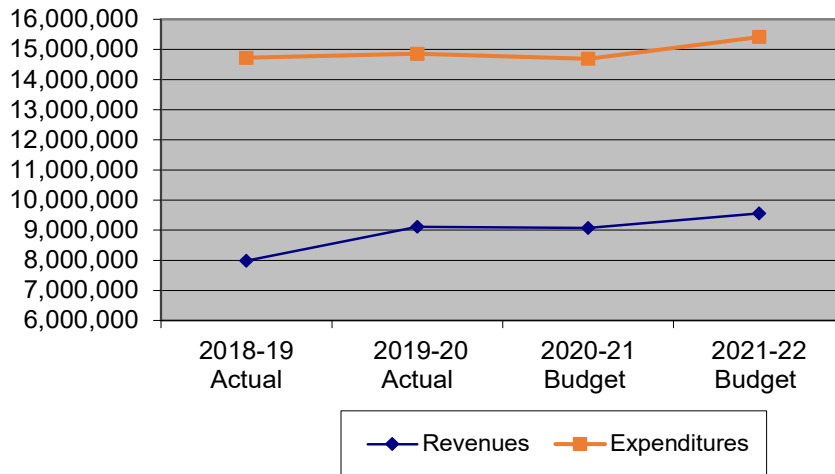


Special Education Expenditures by Program

Program	Description	2018-19	2019-20	2020-21	2021-22	Change	Change
		Actual	Actual	Budget	Budget	%	Amount
030	Instructional Administration	\$ 28,651	\$ 23,966	\$ 9,753	\$ 9,779	0.3%	\$ 26
400	General Special Ed.	514,212	320,471	332,514	318,109	-4.3%	(14,405)
401	Speech/Lang. Impaired	161,514	164,782	350,732	326,337	-7.0%	(24,395)
402	Mild-Mod. Mentally Imp.	958,816	862,662	740,646	766,193	3.4%	25,547
403	Mod.-Severe Mentally Imp.	182,014	213,581	235,195	261,549	11.2%	26,354
404	Physically Impaired	129,287	141,688	74,662	132,214	77.1%	57,552
405	Deaf - Hard of Hearing	107,260	115,311	123,258	134,854	9.4%	11,596
406	Visually Impaired	79,741	155,074	159,251	159,504	0.2%	253
407	Specific Learning Disability	1,801,274	1,624,037	1,768,441	1,771,485	0.2%	3,044
408	Emot/Behavioral Disorder	1,025,156	1,351,377	1,274,582	1,394,856	9.4%	120,274
409	Deaf - Blind	-	-	-	-	#DIV/0!	-
410	Other Health Impaired	1,154,898	1,109,907	1,136,980	1,113,392	-2.1%	(23,588)
411	Autism	1,377,827	1,675,043	1,689,498	1,739,451	3.0%	49,953
412	Early Childhood Spec. Ed.	2,354,885	2,245,318	2,068,516	2,286,403	10.5%	217,887
414	Traumatic Brain Inj	6,469	11,912	13,131	13,084	-0.4%	(47)
416	Multiple Handicap	175,123	193,068	161,808	226,140	39.8%	64,332
420	Special Education General	2,181,672	2,139,095	2,030,459	2,292,785	12.9%	262,326
422	Special Ed Students w/o Disabilities	700,138	717,332	724,209	647,487	-10.6%	(76,722)
640	Staff Development	1,329	-	-	-	#DIV/0!	-
760	Pupil Transportation	1,783,942	1,790,752	1,796,300	1,822,000	1.4%	25,700
850	Capital Facilities	-	-	-	-	0.0%	-
Special Education Totals		\$ 14,724,208	\$ 14,855,376	\$ 14,689,935	\$ 15,415,622	4.9%	\$ 725,687

	2018-19 Actual	2019-20 Actual	2020-21 Budget	2021-22 Budget
Revenues	7,988,673	9,115,742	9,077,227	9,552,467
Expenditures	14,724,208	14,855,376	14,689,935	15,415,622

Special Education Revenue Expenditure Comparison



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 Insurance 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 Insurance 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.