

2022-2023 PRELIMINARY BUDGET

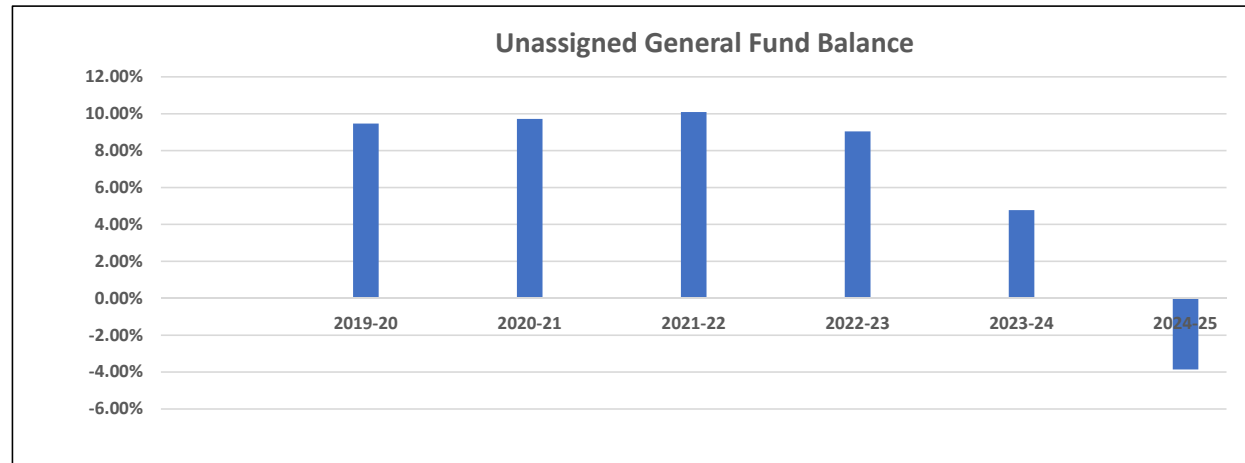
**PRESENTED TO THE
SCHOOL BOARD
JUNE 13, 2022**

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

**OWATONNA**
PUBLIC SCHOOLS
INSPIRING EXCELLENCE • EVERY LEARNER • EVERY DAY

Fund Balance Forecast as of June 13, 2022 (General Fund Only)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund						
Unassigned Fund Balance	\$ 5,899,575	\$ 6,167,288	\$ 6,790,722	\$ 6,187,469	\$ 3,390,878	\$ (2,823,729)
Restricted Fund Balance	3,802,223	4,808,093	5,033,484	4,056,303	4,056,303	4,056,303
Nonspendable Fund Balance	214,828	474,856	474,856	474,856	474,856	474,856
Total Fund Balance	\$ 9,916,626	\$ 11,450,237	\$ 12,299,062	\$ 10,718,628	\$ 7,922,037	\$ 1,707,430
Total Revenues	\$ 63,330,116	\$ 64,974,395	\$ 68,119,896	\$ 66,874,384	\$ 68,211,872	\$ 66,924,109
Total Expenditures	\$ 62,336,934	\$ 63,440,784	\$ 67,271,071	\$ 68,454,818	\$ 71,008,463	\$ 73,138,716
Total Fund Balance as a % of Total Expenditures	15.91%	18.05%	18.28%	15.66%	11.16%	2.33%
Unassigned Fund Balance as a % of Total Expenditures	9.46%	9.72%	10.09%	9.04%	4.78%	-3.86%



Assumptions:

- 1) 2% increase in state aid for 2022-23 and 2% for 2023-24 and beyond
- 2) 3% increase in expenditures in 2023-24 and beyond
- 3) Board Target for Unassigned Fund Balance is 8%-10%
- 4) Current operating levy expires on June 30, 2031. FY 22-23 per pupil amount is \$492.32 plus \$724 Local Optional Revenue
- 5) \$2,640,328 of ARP funding is included in the 2022-23 budget.
- 6) Add \$500,000 in expenditures in 2023-24 for Career Pathways Program at new OHS

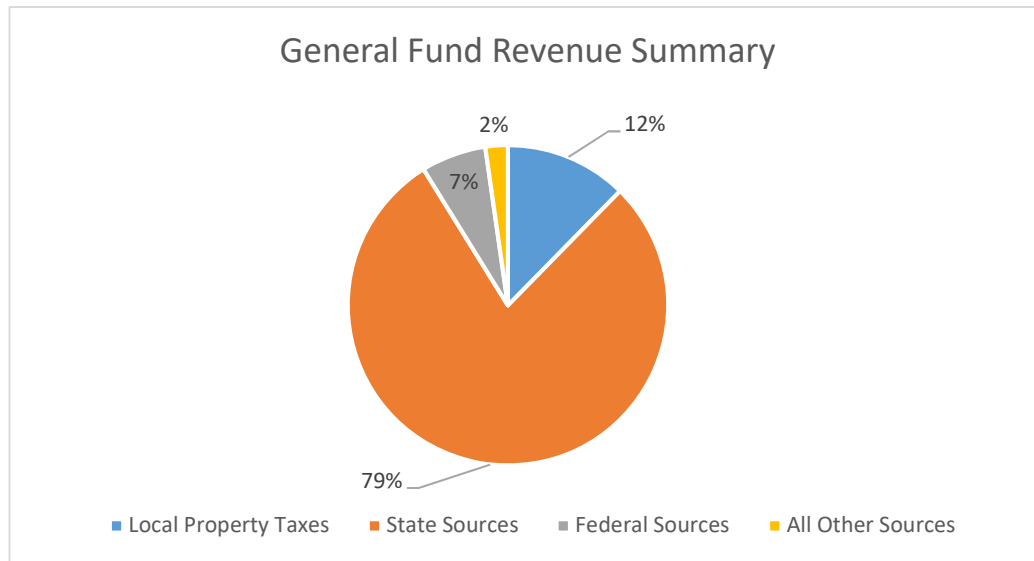
REVENUES

General Fund

	Final 2021-2022	Preliminary 2022-2023	Change from Final to Preliminary
Local Property Taxes	\$ 8,770,169	\$ 8,259,456	\$ (510,713)
State Sources	52,992,798	52,705,314	(287,484)
Federal Sources	4,739,032	4,392,966	(346,066)
All Other Sources	1,617,897	1,516,648	(101,249)
Total Revenues	\$ 68,119,896	\$ 66,874,384	\$ (1,245,512)

Detailed State Sources

Endowment	\$ 200,061	\$ 201,659	\$ 1,598
General Education Aid	42,834,326	42,612,797	(221,529)
Literacy Aid	223,963	223,963	-
Shared Time Aid	19,767	19,767	-
Abatement Aid	139	139	-
Disparity Reduction Aid	8,775	8,775	-
Homestead/Ag Market Value Credit	14,759	11,041	(3,718)
Achievement and Integration Aid	383,532	386,766	3,234
State Aids and Grants	1,125,490	1,129,907	4,417
Special Education	7,971,486	7,900,000	(71,486)
Miscellaneous Revenue from MDE	20,000	20,000	-
Direct TRA/PERA Aid	190,500	190,500	-
Total State Sources	\$ 52,992,798	\$ 52,705,314	\$ (287,484)



	Final 2021-2022	Preliminary 2022-2023	Change from Final to Preliminary
Food Service Fund			
State Sources	\$ 98,423	\$ 177,997	\$ 79,574
Federal Sources	3,390,369	1,741,046	(1,649,323)
All Other Sources	330,575	1,300,505	969,930
Total Revenues	<u>\$ 3,819,367</u>	<u>\$ 3,219,548</u>	<u>\$ (599,819)</u>
Community Service Fund			
Local Property Taxes	\$ 302,969	\$ 314,245	\$ 11,276
State Sources	2,269,007	2,291,121	22,114
Federal Sources	158,473	148,838	(9,635)
All Other Sources	635,957	600,300	(35,657)
Total Revenues	<u>\$ 3,366,406</u>	<u>\$ 3,354,504</u>	<u>\$ (11,902)</u>
OHS Building Construction Fund	<u>\$ 1,420,000</u>	<u>\$ 1,200,000</u>	<u>\$ (220,000)</u>
Building Construction Fund	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ (1,500)</u>
Debt Service Fund	<u>\$ 9,423,463</u>	<u>\$ 9,657,736</u>	<u>\$ 234,273</u>

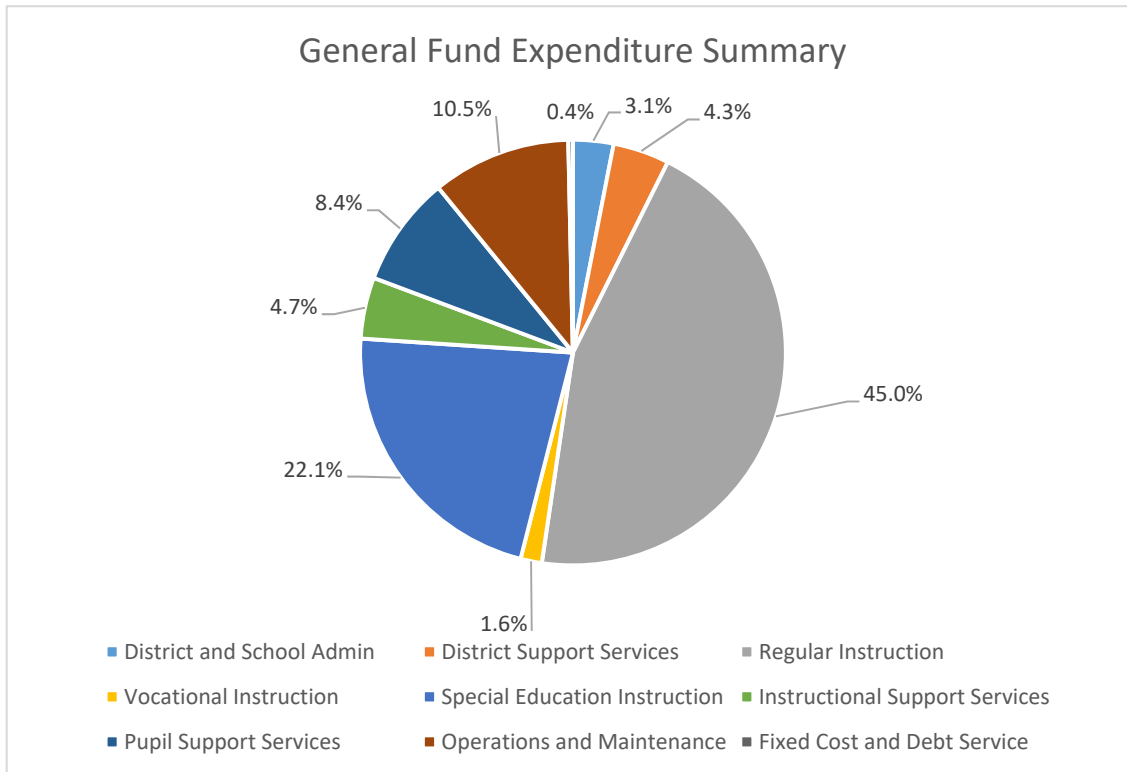
- As part of the preliminary budget, the board will be asked to approve a **rate increase to all activity fees of \$20**. With rising costs in equipment and supplies we are in need of an increase in fees. The last time activity fees were increased for families was in the 2014-15 school year.
 - The new fee structure will be as follows:
 - Athletics Fee \$155 to \$175 (Family Max \$525)
 - Activity Fee \$70 to \$90
 - Kids First Activity Fee \$120 to \$140
 - Families that qualify for free/reduced meals will be eligible for a reduced rate

- In addition, the board will be asked to approve a **rate increase for breakfast of \$.20/meal for students and \$.25/meal for adults, a rate increase for lunch of \$.10/meal for students and \$.25/meal for adults, and a rate increase of \$.10 for extra milk**. The 2016-2017 school year was the last time student breakfast prices were increased and the 2017-2018 school year was the last time student lunch prices were increased. With the USDA waivers for free meals no longer in effect for the 2022-23 school year, our reimbursement rates from the government will decrease significantly (\$.255 for breakfast and \$.7075 for lunch). This in combination with higher food and supply costs results in a need to increase meal prices.

EXPENDITURES

General Fund

	Final 2021-2022	Preliminary 2022-2023	Change from Final to Preliminary
Salaries	\$ 38,808,772	\$ 39,204,346	\$ 395,574
Employee Benefits	14,230,120	15,193,993	963,873
Purchased Services	8,617,851	9,652,566	1,034,715
Supplies and Materials	3,235,815	3,103,242	(132,573)
Capital Expenditures	2,057,680	965,706	(1,091,974)
Other Expenditures	320,833	334,965	14,132
Total Expenditures	\$ 67,271,071	\$ 68,454,818	\$ 1,183,747
District and School Admin	\$ 2,131,394	\$ 2,100,413	\$ (30,981)
District Support Services	3,300,553	2,932,915	(367,638)
Regular Instruction	30,310,537	30,799,535	488,998
Vocational Instruction	1,113,685	1,107,103	(6,582)
Special Education Instruction	14,267,178	15,117,097	849,919
Instructional Support Services	3,057,905	3,191,482	133,577
Pupil Support Services	5,395,758	5,747,382	\$ 351,624
Operations and Maintenance	7,461,928	7,218,891	(243,037)
Fixed Cost and Debt Service	232,133	240,000	7,867
Total Expenditures	\$ 67,271,071	\$ 68,454,818	\$ 1,183,747



	Final 2021-2022	Preliminary 2022-2023	Change from Final to Preliminary
Food Service Fund			
Salaries	\$ 1,173,580	\$ 1,243,790	\$ 70,210
Employee Benefits	394,093	444,984	50,891
Purchased Services	66,450	42,250	(24,200)
Supplies and Materials	1,935,011	1,545,517	(389,494)
Capital Expenditures	60,000	5,000	(55,000)
Other Expenditures	4,927	4,000	(927)
Total Expenditures	<u>\$ 3,634,061</u>	<u>\$ 3,285,541</u>	<u>\$ (348,520)</u>
Community Service Fund			
Salaries	\$ 1,084,888	\$ 1,273,054	\$ 188,166
Employee Benefits	331,504	376,787	45,283
Purchased Services	1,721,058	1,769,230	48,172
Supplies and Materials	190,835	133,715	(57,120)
Capital Expenditures	9,509	27,174	17,665
Other Expenditures	16,875	12,450	(4,425)
Total Expenditures	<u>\$ 3,354,669</u>	<u>\$ 3,592,410</u>	<u>\$ 237,741</u>
OHS Building Construction Fund	<u>\$ 46,522,272</u>	<u>\$ 64,565,252</u>	<u>\$ 18,042,980</u>
Building Construction Fund	<u>\$ 3,113,445</u>	<u>\$ 775,576</u>	<u>\$ (2,337,869)</u>
Debt Service Fund	<u>\$ 9,307,650</u>	<u>\$ 9,306,350</u>	<u>\$ (1,300)</u>

FUND BALANCE SUMMARY

Below is the table that contains the proposed budget for the 2022-23 school year. This is the budget the Board is being asked to approve for fiscal year 2023.

	Year Ended June 30, 2023									
	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	\$ 66,874,384	\$ 3,219,548	\$ 3,354,504	\$ 1,200,000	\$ -	\$ 9,657,736	\$ 510	\$ 9,970,639	\$ 440,250	
Expenditures	(68,454,818)	(3,285,541)	(3,592,410)	(64,565,252)	(775,576)	(9,306,350)	(1,002)	(9,969,639)	(440,000)	
Net Change in Fund Balance	(1,580,434)	(65,993)	(237,906)	(63,365,252)	(775,576)	351,386	(492)	1,000	250	
FUND BALANCE										
Beginning of Year	12,299,062	783,989	1,598,434	79,555,416	775,576	1,804,079	5,405	135,762	246,893	
End of Year	\$ 10,718,628	\$ 717,996	\$ 1,360,528	\$ 16,190,164	\$ -	\$ 2,155,465	\$ 4,913	\$ 136,762	\$ 247,143	
Restricted Fund Balance	\$ 4,056,303	\$ 650,787	\$ 1,337,757	\$ 16,190,164	\$ -	\$ 2,155,465	\$ 4,913	\$ 136,762	\$ 247,143	
Nonspendable Fund Balance	474,856	67,209	22,771	5,064	-	-	-	-	-	
Unassigned Fund Balance	6,187,469	-	-	-	-	-	-	-	-	
Total Fund Balance	\$ 10,718,628	\$ 717,996	\$ 1,360,528	\$ 16,195,228	\$ -	\$ 2,155,465	\$ 4,913	\$ 136,762	\$ 247,143	
Unassigned Fund Balance as										
a Percentage of Expenditures	9.04%	19.81%	37.24%	25.08%	0.00%	23.16%	490.32%	1.37%	56.17%	
Total Fund Balance as										
a Percentage of Expenditures	15.66%	21.85%	37.87%	25.08%	0.00%	23.16%	490.32%	1.37%	56.17%	

The fiscal year 2022 auditing process will validate the actual financial performance of the District and those results could change the listed ending fund balances for 2021-22. By approving the 2022-23 preliminary budget, the board is also approving increases in activity fees and meal prices. As always, any such adjustments will be used in the 2022-23 final budget, which the Board typically approves in February.

**OWATONNA PUBLIC SCHOOLS, ISD #761
OPERATING CAPITAL EXPENDITURES (FIN 302)
2022-23 PRELIMINARY BUDGET**

Projected Beginning Balance		\$ 613,534
Revenue		
Operating Capital - Aid	847,146	
Operating Capital - Levy	379,987	
Lease Levy	409,497	
Total Revenue		1,636,630
Expenditures		
Fixed		
Taxes/Assessments	50,000	
Four Seasons Lease	70,000	
Gymnastic's Lease	5,000	
CVSEC	340,000	
Copiers		
- District wide	51,880	
- 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	
District Van	4,680	
Total Fixed Expense	568,376	
Operating Capital Allocation		
OHS	\$ 15.00 1,810.80	27,162
OMS	\$ 15.00 1,216.80	18,252
All Elementary Specialists		3,600
K-5		27,810
ALC	\$ 15.00 96.00	1,440
Total Building Operating Capital Allocations		78,264
Program Operating Capital Allocations		
Athletics		36,000
Curriculum		155,000
District Administration		40,000
Finance		16,000
Operations & Maintenance/ Safety		100,000
Special Education		10,000
Infinite Campus		65,000
Technology - Support		73,016
Technology - LCM		455,000
Technology - Instructional Software		33,000
Total Program Operating Capital Allocations		983,016
Total Expenditures		1,629,656
Addition (Reduction) To Fund Balance		6,974
Projected Ending Balance		\$ 620,508

SUPPLEMENTAL INFORMATION

ACTIVITIES PROGRAM

OHS Activities Expenditure Budget

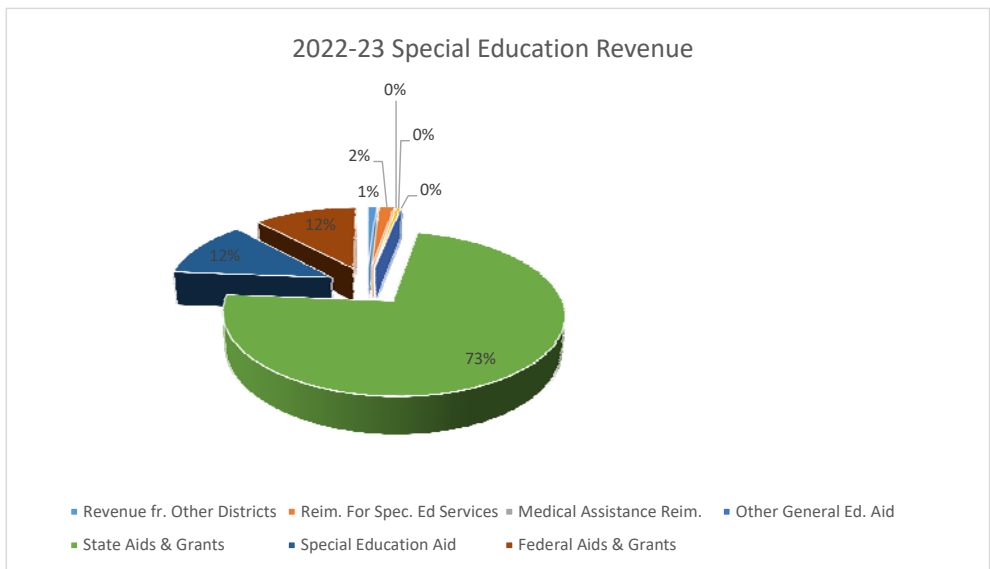
	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Budget	Budget
Adaptive Athletics	15,615	5,139	13,576	13,806
<u>Boys Athletics</u>				
Baseball	20,670	33,490	32,756	33,939
Basketball *	58,264	49,825	58,727	59,958
Cross Country	13,210	12,477	14,969	14,946
Football *	75,246	76,491	81,081	85,677
Soccer	33,780	31,438	38,715	39,040
Golf	7,834	15,400	12,697	10,903
Hockey *	36,767	32,593	39,771	38,468
Swimming *	25,360	22,837	25,507	26,225
Tennis	9,534	16,316	17,372	19,816
Track	13,983	30,924	33,093	33,911
Wrestling *	32,830	25,565	44,536	38,295
LaCrosse *	12,834	26,655	28,856	27,783
Total Boys Athletics	340,312	374,011	428,080	428,961
<u>Girls Athletics</u>				
Basketball *	41,234	36,867	47,359	54,732
Cross Country	14,837	13,398	16,286	16,455
Soccer	34,014	31,405	35,790	37,670
Golf	6,790	13,723	12,829	11,027
Hockey *	38,128	30,885	39,540	40,426
Swimming *	24,054	21,851	28,508	26,142
Tennis	15,939	12,919	14,932	16,238
Track	14,997	27,575	32,464	32,353
Softball	14,168	32,058	29,076	29,662
Gymnastics *	19,345	19,295	22,298	21,825
Volleyball *	36,676	30,685	36,849	39,268
Cheerleading	17,832	17,330	19,550	19,946
LaCrosse *	16,262	24,217	25,711	27,870
Dance *	22,591	19,982	23,934	24,495
Total Girls Athletics	316,867	332,190	385,126	398,109
<u>Activities</u>				
Publishing	5,474	5,619	5,788	4,419
Link Crew	2,168	2,228	2,299	2,355
Magnet (Newspaper)	13,997	13,722	16,812	15,668
Yearbook	6,829	7,082	7,308	7,417
Robotics	3,076	3,153	3,406	3,560
Speech	11,350	13,414	12,540	15,849
Drama *	37,749	24,406	39,506	41,555
Other	30,009	33,725	35,160	35,419
Total Activities	110,652	103,349	122,819	126,242
<u>Other</u>				
Auditorium Management	2,554	1,150	2,987	4,563
Weight Room	25,331	19,518	26,515	27,055
Athletic Training	37,840	26,189	10,779	30,325
Operating Capital	27,479	30,820	36,000	36,000
Activities Admin., Office Support, Etc.	287,693	271,494	315,511	319,386
Total Other	380,897	349,171	391,792	417,329
TOTAL ACTIVITIES BUDGET	1,164,343	1,163,860	1,341,393	1,384,447

* Revenue generating activities

SPECIAL EDUCATION

Special Education Revenues by Source

Source	Description	2019-20	2020-21	2021-22	2022-23	Change %	Change Amount
		Actual	Actual	Budget	Budget		
022	Reim. For Spec. Ed Services	\$ 136,184	\$ 165,492	\$ 105,000	\$ 163,000	55.2%	\$ 58,000
071	Medical Assistance Reim.	479,452	528,882	400,000	400,000	0.0%	-
	Miscellaneous Revenue	2,000	-	-	-	#DIV/0!	-
211	Other General Ed. Aid	-	-	41,467	41,997	1.3%	530
360	Special Education Aid	7,390,592	7,496,279	7,971,486	7,900,000	-0.9%	(71,486)
397	TRA and PERA Special Funding	45,998	46,419	46,000	46,000	0.0%	-
400	Federal Aids & Grants	1,061,516	924,799	858,686	1,101,987	28.3%	243,301
Special Education Totals		\$ 9,115,742	\$ 9,161,871	\$ 9,422,639	\$ 9,652,984	2.44%	\$ 230,345

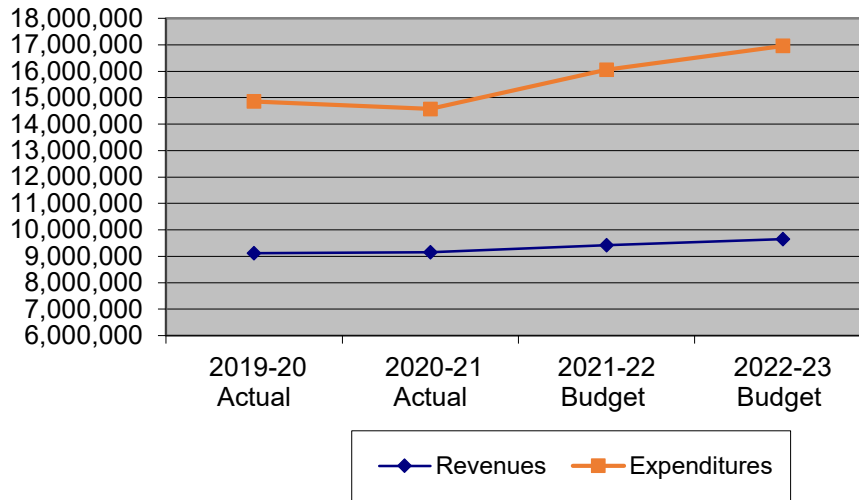


Special Education Expenditures by Program

Program	Description	2019-20	2020-21	2021-22	2022-23	Change	Change
		Actual	Actual	Budget	Budget	%	Amount
030	Instructional Administration	\$ 23,966	\$ 15,333	\$ 15,412	\$ 15,909	3.2%	\$ 497
400	General Special Ed.	320,471	253,809	168,003	173,736	3.4%	5,733
401	Speech/Lang. Impaired	164,777	136,304	434,421	437,743	0.8%	3,322
402	Mild-Mod. Mentally Imp.	862,662	613,250	584,954	619,523	5.9%	34,569
403	Mod.-Severe Mentally Imp.	213,581	337,291	278,672	320,906	15.2%	42,234
404	Physically Impaired	141,205	175,633	321,925	253,289	-21.3%	(68,636)
405	Deaf - Hard of Hearing	115,311	145,579	104,852	106,397	1.5%	1,545
406	Visually Impaired	155,074	124,520	96,347	109,832	14.0%	13,485
407	Specific Learning Disability	1,624,037	1,927,859	2,073,764	2,231,062	7.6%	157,298
408	Emot/Behavioral Disorder	1,351,377	888,282	1,172,288	1,297,358	10.7%	125,070
409	Deaf - Blind	-	-	-	-	#DIV/0!	-
410	Other Health Impaired	1,109,880	1,180,960	1,224,569	1,233,707	0.7%	9,138
411	Autism	1,675,043	1,888,273	2,040,523	2,092,443	2.5%	51,920
412	Early Childhood Spec. Ed.	2,245,303	2,059,840	2,143,650	2,342,809	9.3%	199,159
414	Traumatic Brain Inj	11,912	-	-	-	#DIV/0!	-
416	Multiple Handicap	193,068	365,559	200,688	286,444	42.7%	85,756
420	Special Education General	2,139,095	2,003,681	2,327,576	2,527,659	8.6%	200,083
422	Special Ed Students w/o Disabilities	717,332	699,494	1,052,598	1,084,189	3.0%	31,591
640	Staff Development	-	-	-	-	#DIV/0!	-
760	Pupil Transportation	1,790,752	1,755,885	1,822,000	1,827,665	0.3%	5,665
850	Capital Facilities	-	-	-	-	0.0%	-
Special Education Totals		\$ 14,854,846	\$ 14,571,552	\$ 16,062,242	\$ 16,960,671	5.6%	\$ 898,429

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Budget
Revenues	9,115,742	9,161,871	9,422,639	9,652,984
Expenditures	14,854,846	14,571,552	16,062,242	16,960,671

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.