

DETROIT LAKES PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT #22



2025-2026 BUDGET

June 23, 2025

DETROIT LAKES PUBLIC SCHOOLS

**INDEPENDENT SCHOOL DISTRICT #22
Detroit Lakes, Minnesota**

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DETROIT LAKES PUBLIC SCHOOLS

INDEPENDENT SCHOOL DISTRICT #22 Detroit Lakes, Minnesota

2025-26 Budget

This document includes the Detroit Lakes Public Schools initial budget for the upcoming 2025-26 school year. The budget is primarily driven by the Average Daily Membership (ADM). The ADM is a yearlong moving average based on the number of students served by the District at reporting times set by the Minnesota Department of Education. Many factors can come into play such as difference in class size of the outgoing senior class and incoming kindergarten class, changes in open enrollment, change in pre-kindergarten enrollment, student mobility, and the year to year retention ratios. The projected district ADMs for 2025-26 are based on kindergarten registration numbers, as well as past enrollment trends. We are predicting a kindergarten class size of 175 students in 2025-26.

In addition to ADMs, the initial budget for 2025-26 have been prepared based on planning parameters such as employee compensation increases, liability and workers' compensation insurance cost projections, changes in special education funding, general education formula changes, and other updates to anticipated revenues/expenditures.

GENERAL FUND

Unassigned General Fund is projected to have a surplus of \$23,382. This budget reflects estimated revenues of \$42,288,317 and expenditures of \$42,264,935 with a projected year-end fund balance of \$6,569,272.

Revenue changes include increases to the general education formula aid & levy. The General Education formula revenue was increased \$200 (2.74%) to \$7,481 per student. The District's Average Daily Member (ADM) was estimated at 2,663 for the 2025-26 budget. Student projections are based on historical grade by grade progression, incoming kindergarten class size and the latest demographic information. The kindergarten class is estimated at 175 students. From the recently completed legislative sessions, we see maintained funding for summer unemployment costs and compensatory revenue, but some changes in funding for special education programming.

Expenditure changes include an increase in contracted services, maintaining appropriate staffing levels, continued mental health services, increases of salary (including fringe benefits), and operation costs of District buildings.

OPERATING CAPITAL FUND

Restricted Operating Capital is projected to have a deficit of \$297,367. The budgeted expenditures of \$1,046,000 include significant costs associated with curriculum updates, technology equipment and routine building equipment/site improvements.

Restricted Long Term Facilities Maintenance Revenue (LTFM) is projected to have a surplus of \$140,971. Past LTFM projects have utilized existing General Fund Unassigned fund balance to cover the cost up front and will be replenished by future LTFM aid. The revenue stream is based on \$380 per adjusted pupil unit. Taking the prior negative balance and the estimated current year surplus, the

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anticipated year-end fund balance will be negative \$95,250 and expected to be recovered in the upcoming fiscal years.

TOTAL GENERAL FUND

The Total Restricted General Fund is projected to have a deficit of \$321,352 based on revenues of \$2,412,876 and expenditures of \$2,734,228 with an ending combined fund balance of \$2,286,560.

The Total Committed for Severance Pay and Other Post-Employment Benefits General Fund is budget neutral with a projected year-end fund balance of \$2,169,414.

The Total Assigned General Fund is budget neutral with a projected year-end fund balance of \$1,552,650.

The Total Unassigned General Fund is projected to have a surplus of \$23,832 with a year-end fund balance of \$6,569,272

The Total Restricted, Committed, and Unassigned General Fund is projected to have a deficit of \$297,970 based on revenues of \$44,701,193 and expenditures of \$44,999,163 with a year-end fund balance of \$12,577,896.

FOOD SERVICE FUND

The Food Service Fund is projected to have a surplus of \$91 based on revenues of \$2,572,403 and expenditures of \$2,572,312 and a year-end fund balance of \$1,077,768.

COMMUNITY SERVICES FUND

The Community Services fund is comprised of five sub-components:

1. Restricted for Early Childhood/Family Education is projected to have a deficit of \$4,051 and a year-end fund balance of \$84,894.
2. Restricted for Community Education is projected to have a surplus of \$5,291 and a year-end fund balance of \$157,452.
3. Restricted for School Readiness is projected to have a deficit of \$17,583 and a year-end fund balance of \$84,609.
4. Restricted for Adult Basic Education (ABE) is projected to have a surplus of \$174 and a year-end fund balance of \$177,605.
5. Restricted for Community Services - Unassigned is projected to have a surplus of \$14,981 with a funding balance of \$66,469.

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Overall, all four components of the Community Education Fund combined are predicted to have a deficit of \$1,188 bringing the overall fund balance to \$571,029.

DEBT SERVICE FUND

The Debt Service Fund is projected to have a surplus of \$59,748 with a year-end fund balance of \$1,095,213. The fund is servicing payments for the Abatement bonds issued in 2018, the Referendum GO Bonds issued in 2019, Facilities Maintenance Bonds issued in 2020, and the exercising of additional levying authority in 2022.

CUSTODIAL FUND

The Custodial Fund is projected to be revenue and expenditure neutral with a year-end fund balance of \$13,970. The fund records fiduciary activities by acting as a flow through mechanism for revenue and expenditures from outside organizations not resulting in a financial benefit to the District.

STUDENT ACITIVITIES FUND

The Student Activities Fund is projected to be budget neutral with a year-end fund balance of \$190,038. The fund records transactions related to student extracurricular activity accounts at the Middle School and High School.

TOTAL (ALL FUNDS)

At the District Wide level, the fund balance of the School District is projected to have a deficit of \$239,819 with a year-end Fund Balance of \$15,459,445 based on combined revenues of \$53,714,478 and expenditures of \$53,954,297.

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INDEPENDENT SCHOOL DISTRICT #22 Detroit Lakes, Minnesota

SUMMARY OF 2025-2026 INITIAL BUDGET

The total Unassigned General Fund, representing the largest portion of our School District's operating expenses, is predicted to have a surplus of \$23,382.

Maintaining a healthy fund balance is essential for future success. Table 1 below gives a brief history of the Unassigned General Fund Balance and Expenditures. District Policy 714 establishes the desired fund balance in the range of 15% to 25% of the annual Statutory Operating Debt (SOD) expenditures as calculated by Minnesota Department of Education. The 2025-26 estimated fund balance to expenditure percentage is 18.6%.

	General Fund Unassigned Fund Balance**	General Fund SOD Expenditures**	Unassigned Fund Balance As a % Expenditures**
2015-16	\$5,882,356	\$26,323,158	22.35%
2016-17	\$6,015,088	\$27,907,492	21.55%
2017-18	\$5,425,230	\$29,394,094	18.46%
2018-19	\$5,393,503	\$31,624,477	17.05%
2019-20	\$5,038,918	\$32,384,773	15.56%
2020-21	\$6,336,201	\$34,725,049	18.24%
2021-22	\$5,147,443	\$33,792,081	15.23%
2022-23	\$5,018,459	\$35,393,415	14.18%
2023-24**	\$6,592,107	\$34,910,558	18.9%
2024-25** (Estimate)	\$6,545,890	\$35,102,164	18.6%
2025-26** (Estimate)	\$6,569,272	\$35,240,000	18.6%

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Detroit Lakes Public Schools

Revenue and Expenditure Budget Summary by Fund

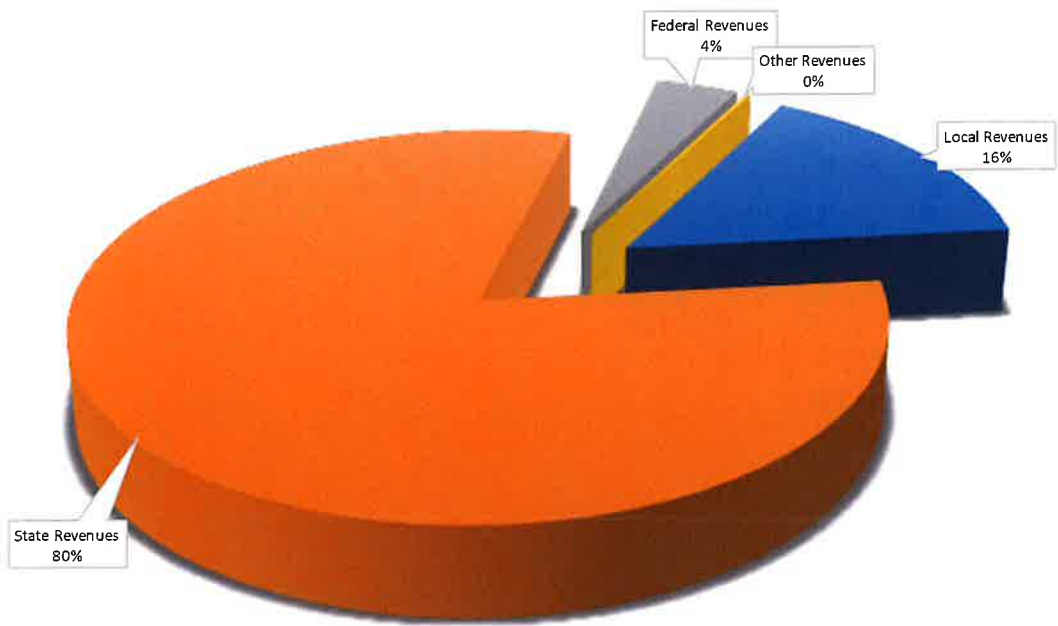
2024-25 BUDGET

	2024-25 Revenue	2024-25 Expenditures	Difference
General Fund	\$ 44,370,559.00	\$ 44,821,272.00	\$ (450,713.00)
Food Service	\$ 2,589,243.00	\$ 2,606,584.00	\$ (17,341.00)
Community Education	\$ 1,381,464.00	\$ 1,413,832.00	\$ (32,368.00)
Building Fund	\$ -	\$ -	\$ -
Debt Service	\$ 4,897,970.00	\$ 4,706,000.00	\$ 191,970.00
Custodial Accounts	\$ 10,000.00	\$ 10,000.00	\$ -
Student Activities	\$ 228,450.00	\$ 228,450.00	\$ -
TOTAL ALL FUNDS	\$ 53,477,686.00	\$ 53,786,138.00	\$ (308,452.00)

2025-26 BUDGET

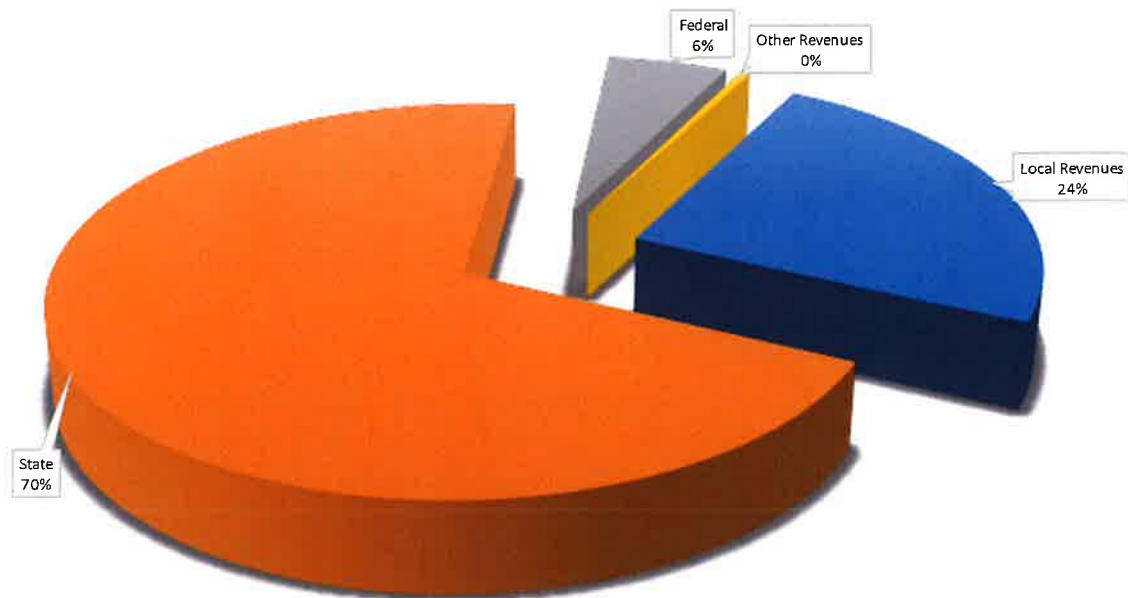
	2025-26 Revenue	2025-26 Expenditures	Difference
General Fund	\$ 44,701,193.00	\$ 44,999,163.00	\$ (297,970.00)
Food Service	\$ 2,572,403.00	\$ 2,572,312.00	\$ 91.00
Community Education	\$ 1,439,653.00	\$ 1,440,841.00	\$ (1,188.00)
Building Fund	\$ -	\$ -	\$ -
Debt Service	\$ 4,770,779.00	\$ 4,711,031.00	\$ 59,748.00
Custodial Accounts	\$ 10,000.00	\$ 10,000.00	\$ -
Student Activities	\$ 220,450.00	\$ 220,450.00	\$ -
TOTAL ALL FUNDS	\$ 53,714,478.00	\$ 53,953,797.00	\$ (239,319.00)

Independent School District #22
2025-26 General Fund Revenues By Major Source



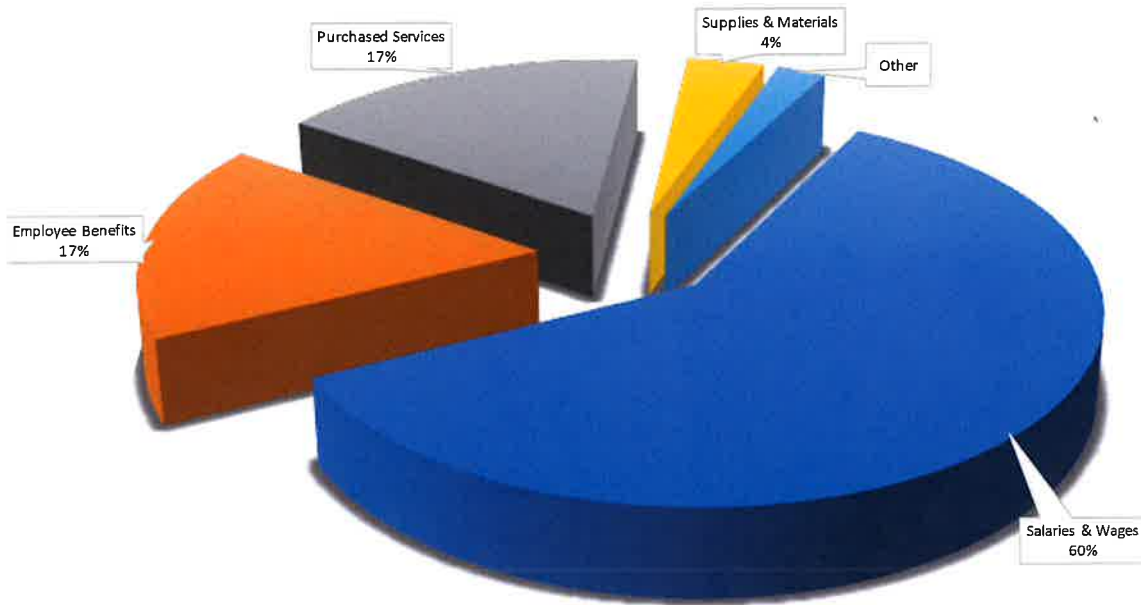
Local Revenues	\$	7,003,716.00	15.7%
State Revenues	\$	35,872,977.00	80.3%
Federal Revenues	\$	1,727,500.00	3.9%
Other Revenues	\$	97,000.00	0.2%
Total Revenue	\$	44,701,193.00	

Independent School District #22
2025-26 All Fund Revenues By Major Source



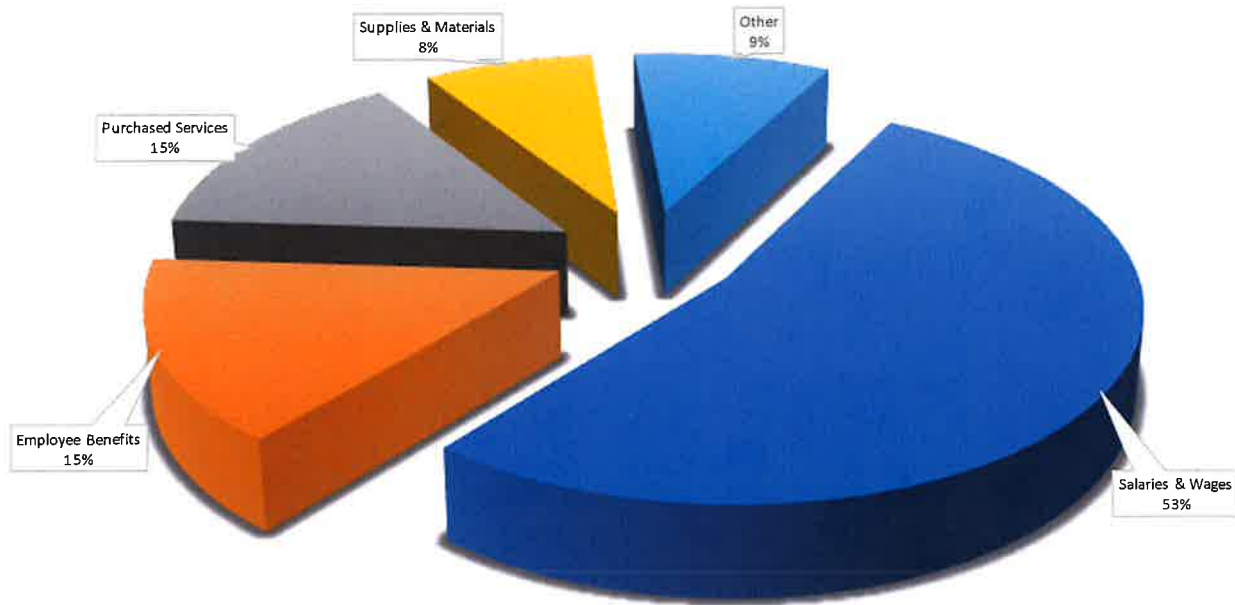
Local Revenues	\$	13,085,534.00	24.4%
State	\$	37,430,500.00	69.7%
Federal	\$	2,952,162.00	5.5%
Other Revenues	\$	246,282.00	0.5%
Total Revenue	\$	53,714,478.00	

**Independent School District #22
2025-26 General Fund Expenditures By Object**



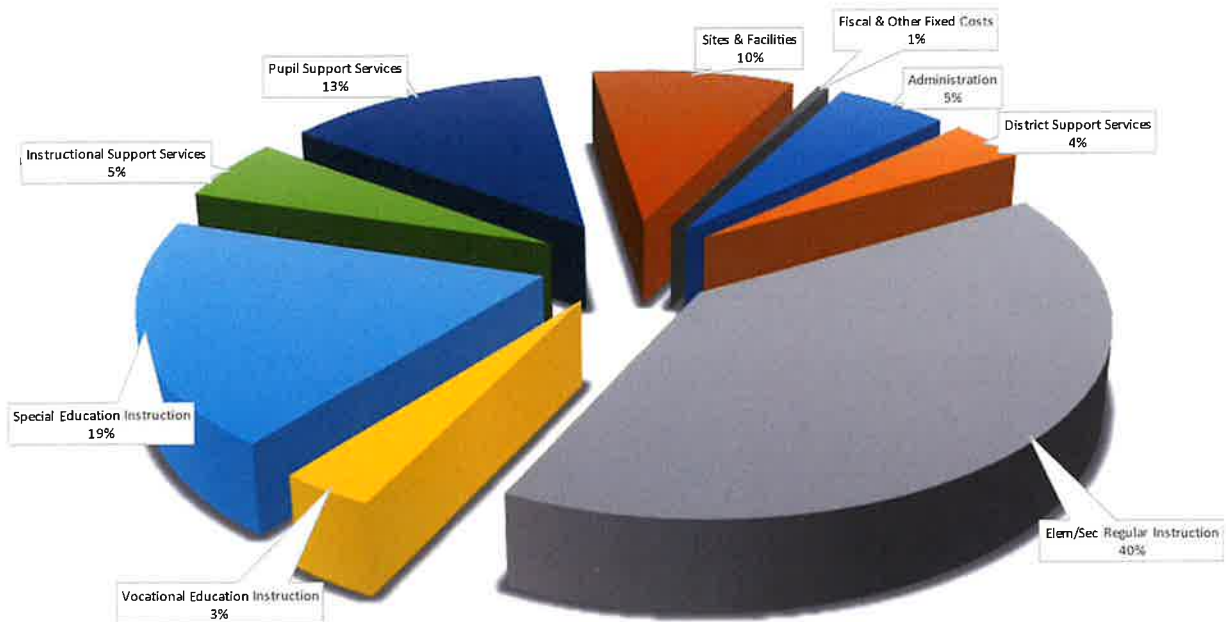
Salaries & Wages	\$	26,942,390	59.9%
Employee Benefits	\$	7,675,848	17.1%
Purchased Services	\$	7,727,615	17.2%
Supplies & Materials	\$	1,613,160	3.6%
Other	\$	1,040,150	2.3%
Total Expenditures	\$	44,999,163.00	

Independent School District #22
2025-26 Expenditures By Object (All Funds)



Salaries & Wages	\$	28,662,067	53%
Employee Benefits	\$	8,167,942	15%
Purchased Services	\$	7,988,593	15%
Supplies & Materials	\$	4,233,130	8%
Other	\$	4,902,565	9%
Total Expenditures	\$	53,954,297.00	

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2025-26 General Fund Expenditures By Program



Administration	\$	2,426,874	5.4%
District Support Services	\$	1,645,652	3.7%
Elem/Sec Regular Instruction	\$	18,181,666	40.4%
Vocational Education Instruction	\$	1,485,871	3.3%
Special Education Instruction	\$	8,662,871	19.3%
Instructional Support Services	\$	2,394,003	5.3%
Pupil Support Services	\$	5,630,171	12.5%
Sites & Facilities	\$	4,324,555	9.6%
Fiscal & Other Fixed Costs	\$	247,500	0.6%
Total Expenditures	\$	44,999,163.00	