

DETROIT LAKES PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT #22



2026-2027 BUDGET

June 22, 2026

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

2026-27 Budget

This document includes the Detroit Lakes Public Schools initial budget for the upcoming 2026-27 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 2026-27 are based on kindergarten registration numbers, as well as past enrollment trends. We are predicting a kindergarten class size of 170 students in 2026-27.

In addition to ADMs, the initial budget for 2026-27 has 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.

UNASSIGNED GENERAL FUND

Unassigned General Fund is projected to have a deficit of \$251,219. This budget reflects estimated revenues of \$36,890,004 and expenditures of \$37,141,223 with a projected year-end fund balance of \$6,641,450.

Revenue changes include increases to the general education formula aid & levy. The General Education formula revenue was increased \$202 (2.69%) to \$7,683 per student. The District's Average Daily Member (ADM) was estimated at 2,632 (2,887 Pupil Units) for the 2026-27 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 170 students. From the recently completed legislative sessions, we see decreased 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 \$395,000. The budgeted expenditures of \$1,145,000 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 \$15,029. The budgeted expenditures of \$705,000 include expenditures related to the District's annual Health and Safety program, a building exterior project at Rossman Elementary, and various deferred maintenance projects at all sites.

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TOTAL GENERAL FUND

The Total Restricted General Fund is projected to have a deficit of \$550,000 based on revenues of \$2,312,876 and expenditures of \$2,862,876 with an ending combined fund balance of \$2,251,193.

The Total Committed for Severance Pay and Other Post-Employment Benefits General Fund is budget neutral with a projected year-end fund balance of \$2,071,414.

The Total Assigned General Fund is budget neutral with a projected year-end fund balance of \$2,043,694.

The Total Unassigned General Fund is projected to have a deficit of \$251,219 with a year-end fund balance of \$6,641,450

The Total Restricted, Committed, and Unassigned General Fund is projected to have a deficit of \$826,219 based on revenues of \$44,471,848 and expenditures of \$45,298,067 with a year-end fund balance of \$13,007,751.

FOOD SERVICE FUND

The Food Service Fund is projected to have a deficit of \$15,267 based on revenues of \$2,656,638 and expenditures of \$2,671,905 and a year-end fund balance of \$1,238,703.

COMMUNITY SERVICES FUND

The Community Services fund is comprised of four main sub-components that include Community Education, Early Childhood Family Education (ECFE), School Readiness, and Adult Basic Education (ABE). The fund is projected to have a deficit of \$42,211 based on revenues of \$1,350,639 and expenditures of \$1,392,850, and a year end fund balance of \$567,066

DEBT SERVICE FUND

The Debt Service Fund is projected to have a surplus of \$250,000 with a year-end fund balance of \$1,206,173. 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 \$17,829. 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.

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STUDENT ACTIVITIES FUND

The Student Activities Fund is projected to be budget neutral with a year-end fund balance of \$282,016. 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 \$633,697 with a year-end Fund Balance of \$16,317,522 based on combined revenues of \$53,693,212 and expenditures of \$54,326,909.

DETROIT LAKES PUBLIC SCHOOLS

INDEPENDENT SCHOOL DISTRICT #22 Detroit Lakes, Minnesota

SUMMARY OF 2026-2027 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 \$251,219.

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 2026-27 estimated fund balance to expenditure percentage is 17.9%.

	General Fund Unassigned Fund Balance**	General Fund SOD Expenditures**	Unassigned Fund Balance As a % Expenditures**
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	\$6,869,287	\$35,698,984	19.2%
2025-26** (Estimate)	\$6,892,669	\$36,412,964	18.9%
2026-27** (Estimate)	\$6,641,450	\$37,141,223	17.9%

INDEPENDENT SCHOOL DISTRICT #22

Detroit Lakes Public Schools

Revenue and Expenditure Budget Summary by Fund

2025-26 BUDGET

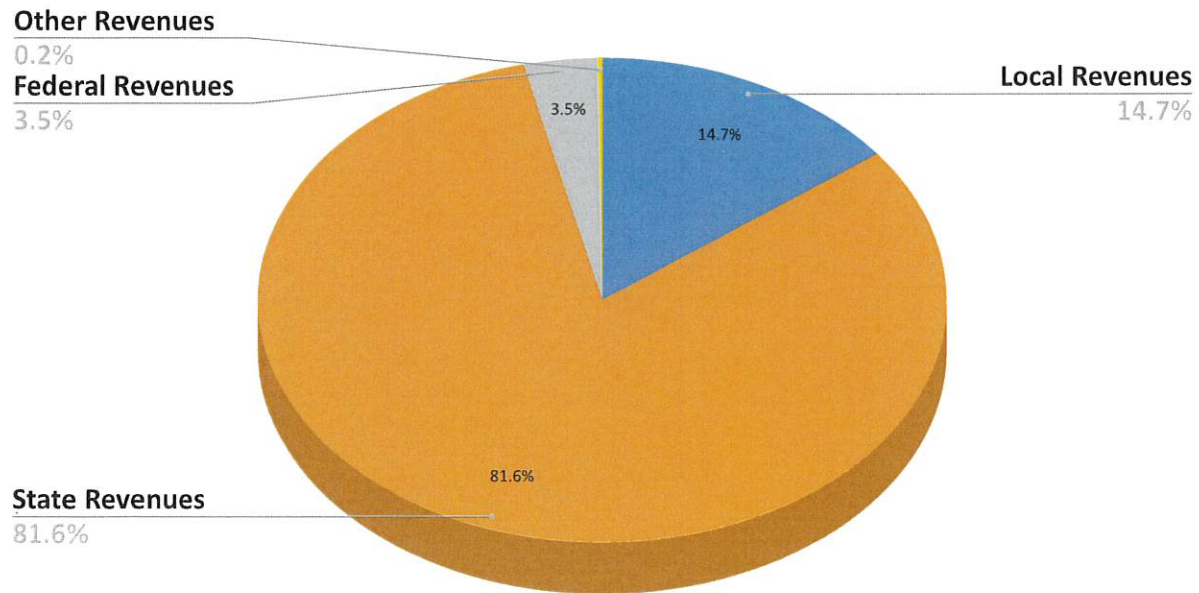
	2025-26 Revenue	2025-26 Expenditures	Difference
General Fund	\$ 44,396,453.00	\$ 44,695,328.00	\$ (298,875.00)
Food Service	\$ 2,572,403.00	\$ 2,572,312.00	\$ 91.00
Community Education	\$ 1,430,303.00	\$ 1,421,740.00	\$ 8,563.00
Debt Service	\$ 4,770,779.00	\$ 4,711,031.00	\$ 59,748.00
Custodial Accounts	\$ 10,000.00	\$ 10,000.00	\$ -
Student Activities	\$ 220,450.00	\$ 220,450.00	\$ -
TOTAL ALL FUNDS	<u>\$ 53,400,388.00</u>	<u>\$ 53,630,861.00</u>	<u>\$ (230,473.00)</u>

2026-27 BUDGET

	2026-27 Revenue	2026-27 Expenditures	Difference
General Fund	\$ 44,471,848.00	\$ 45,298,067.00	\$ (826,219.00)
Food Service	\$ 2,656,638.00	\$ 2,671,905.00	\$ (15,267.00)
Community Education	\$ 1,350,639.00	\$ 1,392,850.00	\$ (42,211.00)
Building Fund	\$ -	\$ -	\$ -
Debt Service	\$ 4,983,637.00	\$ 4,733,637.00	\$ 250,000.00
Custodial Accounts	\$ 10,000.00	\$ 10,000.00	\$ -
Student Activities	\$ 220,450.00	\$ 220,450.00	\$ -
TOTAL ALL FUNDS	<u>\$ 53,693,212.00</u>	<u>\$ 54,326,909.00</u>	<u>\$ (633,697.00)</u>

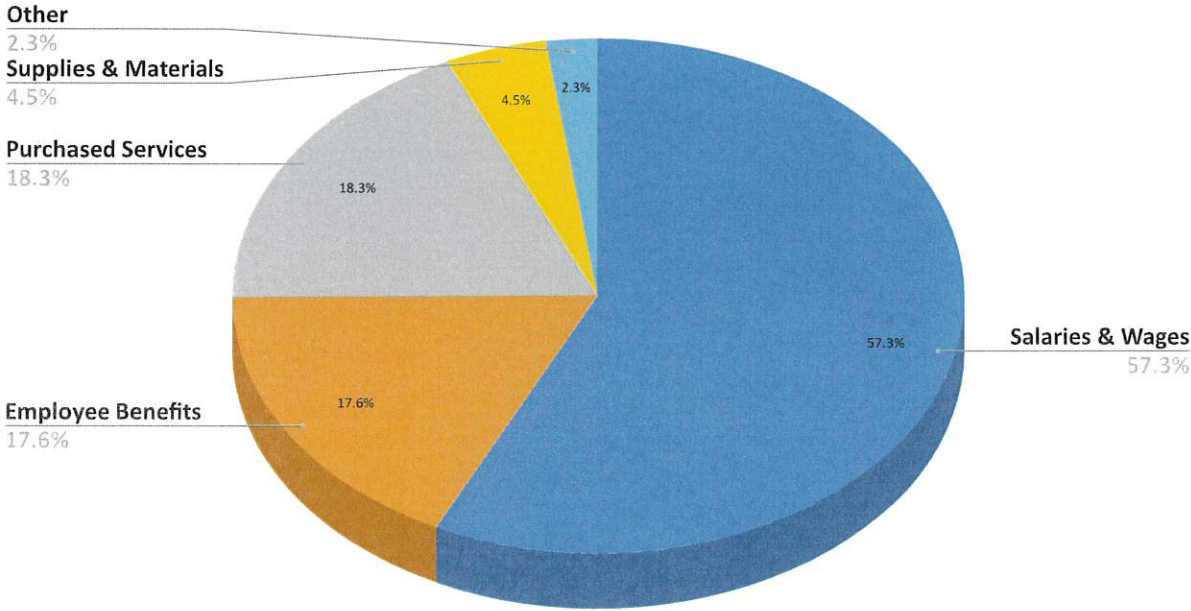
Independent School District #22

2026-27 General Fund Revenues By Major Source



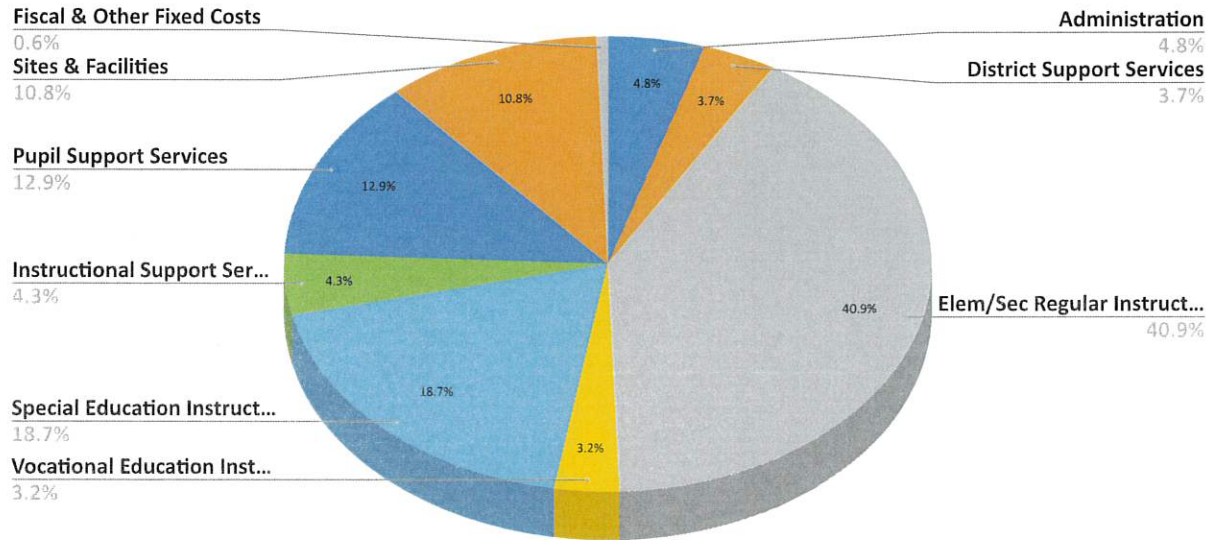
Local Revenues	\$	6,525,041.00	14.7%
State Revenues	\$	36,298,029.00	81.6%
Federal Revenues	\$	1,549,778.00	3.5%
Other Revenues	\$	99,000.00	0.2%
Total Revenue	\$	44,471,848.00	

Independent School District #22
2026-27 General Fund Expenditures By Object



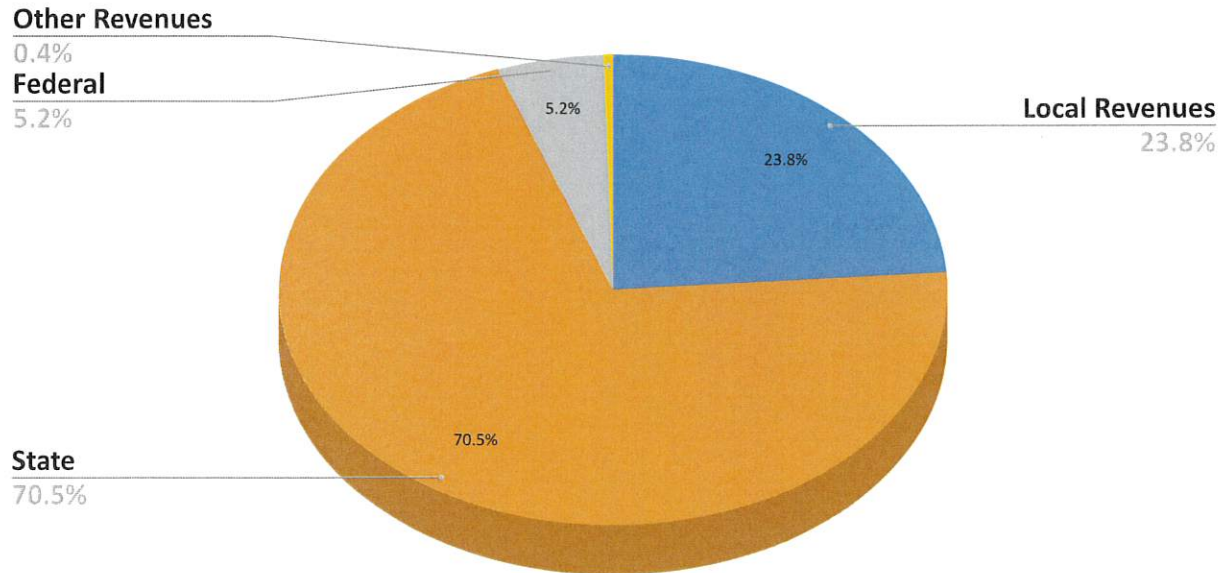
Salaries & Wages	\$	25,942,510	57.3%
Employee Benefits	\$	7,981,657	17.6%
Purchased Services	\$	8,296,900	18.3%
Supplies & Materials	\$	2,035,950	4.5%
Other	\$	1,041,050	2.3%
Total Expenditures	\$	45,298,067.00	

Independent School District #22
2026-27 General Fund Expenditures By Program



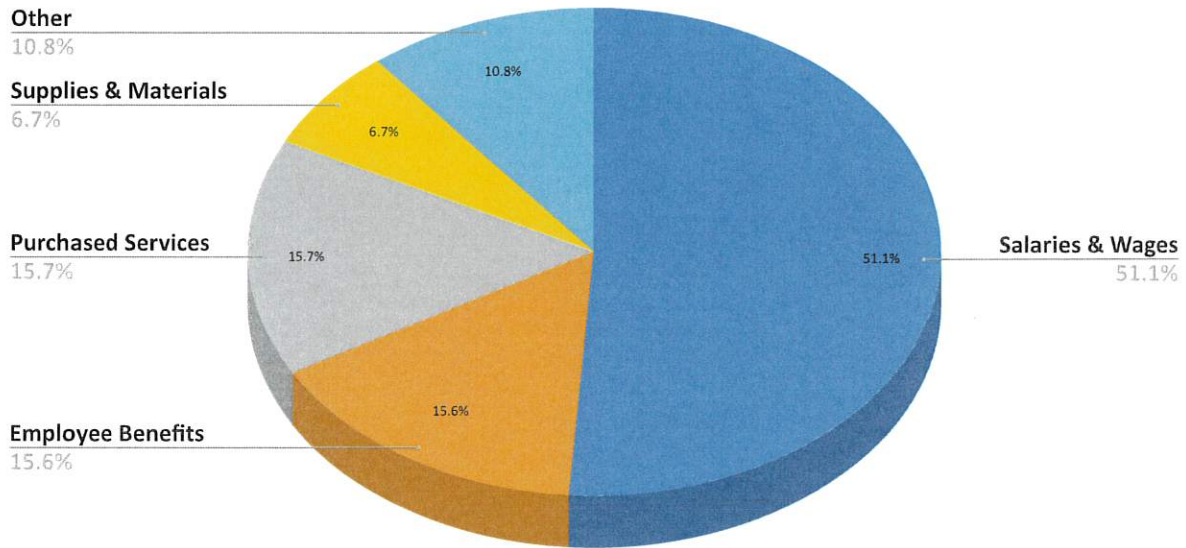
Administration	\$	2,173,718	4.8%
District Support Services	\$	1,679,209	3.7%
Elem/Sec Regular Instruction	\$	18,541,916	40.9%
Vocational Education Instruction	\$	1,462,621	3.2%
Special Education Instruction	\$	8,479,417	18.7%
Instructional Support Services	\$	1,965,652	4.3%
Pupil Support Services	\$	5,851,946	12.9%
Sites & Facilities	\$	4,885,088	10.8%
Fiscal & Other Fixed Costs	\$	258,500	0.6%
Total Expenditures	\$	45,298,067.00	

Independent School District #22 2026-27 All Fund Revenues By Major Source



Local Revenues	\$	12,801,807.00	23.8%
State	\$	37,857,807.00	70.5%
Federal	\$	2,795,145.00	5.2%
Other Revenues	\$	238,453.00	0.4%
Total Revenue	\$	53,693,212.00	

Independent School District #22
2026-27 Expenditures By Object (All Funds)



Salaries & Wages	\$	27,779,219	51%
Employee Benefits	\$	8,474,203	16%
Purchased Services	\$	8,555,768	16%
Supplies & Materials	\$	3,665,606	7%
Other	\$	5,852,659	11%
Total Expenditures	\$	54,327,455.00	