

**Superintendent Comments
Board Workshop
February 10, 2026**

1. Fund Balance Policy

Policy 714 is the Fund Balance Policy. Currently the policy states that the district will strive to maintain a minimum unassigned general fund balance of five percent of the annual budget. According to MN Statutes 2023, section 123B.81, Subd. 2, Statutory Operating Debt (SOD) exists if the schools operating debt is more than 2.5% of the most recent Fiscal Year's (FY) expenditure amount. SOD obviously is something that school districts should avoid.

The existing five percent margin is probably too small for a district this size and should be increased.

2. 2026 MSBA Leadership Conference Follow-up

This discussion will serve as a review of topics from the Leadership Conference in Jan.

3. School Board Compensation

Each year the school board is required to set compensation levels for the board. We will be looking at the compensation as this should be set at the regular board meeting in February.