



April 30, 2026 (sent via email)

Mr. Patrick Heiderscheit, Superintendent
Kenyon-Wanamingo ISD #2172
400 6th St.
Kenyon, MN 55946

Dear Superintendent Heiderscheit,

This letter is to inform you that the Statutory Operating Deficit (SOD) plan with narrative submitted on 1/28/2026 as approved by the Kenyon-Wanamingo School District #2172 school board is conditionally approved. The plan assumes that the Adjusted Average Daily Membership (ADM) for FY 2026 will be 608.00 and establishes a budget for FY 2026 that is projected to result in a negative unreserved general fund balance of 18.63% as of June 30, 2026.

The SOD plan approval is subject to periodic monitoring which demonstrates that the plan is being implemented as proposed and that the projected general fund balance deficit as of June 30, 2026 has not worsened. Failure to comply with the monitoring plan as outlined below, or submission of updated information indicating that the projected deficit will be greater than the approved amount may result in disapproval of the SOD plan. The monitoring plan shall include, but is not limited to the following:

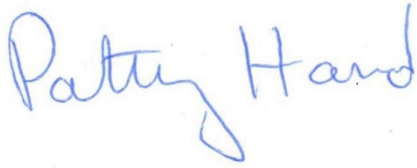
- (1) The district must submit a copy of the planned budget reductions for FY 2027 and subsequent years within two weeks of approval by the school board;
- (2) The district must submit student enrollment and fiscal year to date revenue and expenditure data (including accounting ledgers, payroll ledgers and school board minutes) for FY 2026 and FY 2027 as of:
 - September 30, 2026 (FY 2026 and FY 2027 actual data)
 - November 30, 2026 (FY 2026 actual data)

Submission of this data must occur within 30 days of each date listed above.

- (3) The district superintendent, board chair and business manager may be required to meet periodically with the department to provide status reports regarding the implementation of the SOD plan and respond to questions the department may have regarding the documentation provided for review. The meetings will be scheduled after the submission of documents to the department.
- (4) The district must inform the department if there are significant deviations to the SOD plan and why those deviations have been implemented. Significant deviations would need to be communicated to

(5) and approved by the school board. Deviations that may cause the district to increase the negative unreserved fund balance may affect the conditional approval of the SOD plan.

Respectfully yours,



Patty Hand
Chief Operations Officer

Cc: Tonya Craig, Board Chair, tocraig@kw.k12.mn.us
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