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### Overview

School districts are required to adopt and use a uniform system of records and accounting. The adopted system, a modified accrual accounting system, is known as Uniform Financial Accounting and Reporting System (UFARS). Under UFARS every district must maintain a number of operating funds (e.g., general fund, food service, community service) and nonoperating funds (e.g., building construction, debt service, trust, and agency). UFARS, statutory reserves, and the state's public indebtedness statute prohibit certain types of fund transfers between funds and from certain reserved accounts.

For fiscal years 2014 through 2017, a special law allowed districts to make transfers among accounts as long as those transfers did not affect state aid payments or levy amounts, but still prohibited transfers from the community service fund to other funds.

This bill authorizes the Minnetonka school district to transfer up to \$2,400,000 from its community education reserve account to the reserved for operating capital account for construction of an early childhood classroom addition.

### Section

- 1 Fund transfer; Minnetonka school district.** Authorizes Independent School District No. 276, Minnetonka, to transfer up to \$2.4 million from its community education reserve account to its operating capital account in the general fund. Requires the school district to use the funds to build an early childhood classroom addition.

