

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Fund Transfer; New London-Spicer School District

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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 (see Minn. Stat. §§ 123B.75 to 123B.83), every district must maintain three operating funds and three nonoperating funds. UFARS and the state's public indebtedness statute for municipalities prohibit certain types of fund transfers between nonoperating and operating funds.

A school district annually is required to levy 105 percent of the amount it needs for its debt levy to ensure that it has sufficient funds to repay the building bonds. The amount in excess of the sum actually needed to repay the building bonds is referred to as "debt excess".

This bill authorizes Independent School District No. 345, New London-Spicer, to transfer up to \$150,000 per year for five years from the debt excess in its debt redemption fund to the general fund for purposes of paying for a new roof.

### Section

- 1 Fund transfer; New London-Spicer school district.** Authorizes Independent School District No. 345, New London-Spicer, to permanently transfer up to \$150,000 per year from its debt redemption fund to the general fund for each of the next five years. Requires the levy to be used to pay for a new roof for the Prairie Woods Elementary School.