

maining for the building which had burned down, or to create a sinking fund to retire the indebtedness as it matures, in the event it cannot be called immediately, and the balance credited to the general fund to be used for any obligations of the district properly chargeable to that fund, including outstanding warrants. (The district is to be abandoned.)

May 18, 1933.

We acknowledge receipt of yours of March 27 advising that one of your school district buildings has been destroyed by fire; that the district received \$2000.00 from insurance on such building; that you have outstanding indebtedness in the form of registered warrants, none of which was incurred for erecting the building which was destroyed, or furnishing the same; that it is the intention of the district to discontinue the school and transport the pupils to another district and you desire an opinion from this office as to whether or not the insurance money may be placed in the general fund to retire the outstanding warrants.

You state that there is an indebtedness of \$600.00 and that such indebtedness was created for the purpose of building the school house which had burned down. Sufficient of the money received from insurance should be used to pay such indebtedness, or to create a sinking fund to retire the indebtedness as it matures, in the event it cannot be called immediately. The balance may then be credited to the general fund under the provisions of section 32, Chapter 147, 1927 Session Laws, and be used for any obligations of the district property chargeable to that fund, including outstanding warrants.

Opinion No. 213

**Schools—Buildings Destroyed by Fire
—Insurance, Disposal of Proceeds of
—Abandoned District.**

HELD: Money received by a school district from insurance on a school building destroyed by fire should be used first to pay any indebtedness re-