

Opinion No. 550**School Districts—Budget—Building Fund, Expenditures from.**

HELD: Expenditures, for the purposes authorized, of the proceeds of bond sales for building purposes are exempt from the budget law and require no further authority than a bond issue duly authorized at an election duly called and held.

June 8, 1934.

You request an opinion whether or not the school trustees may use \$337.00 to the credit of the building fund of school district No. 30 of Carbon County without any provision having been made in the budget for any such expenditure.

The budget system was established, as it relates to the public schools, for the purpose of determining in advance the amount of money necessary to maintain the schools for the ensuing year, to determine the millage levy necessary as shown by the budget, and to restrict the expenditures by the school officials to the amount authorized.

School funds obtained by a bond issue for school buildings and equipment must be credited to the building and equipment fund, or building fund, as the case may be, and can be used for no other purpose. Before bonds are issued and sold, the issue must be authorized at an election duly called and held, and no further authority is necessary to authorize the expenditure for the purposes for which issued.

It is our opinion that the budget law, so far as school districts are concerned, applies only to the general fund. While the statutes do not specifically so state, the purpose of the law has no bearing on the building fund of a school district, and in the budget form set out in the statute on page 319, Chapter 146, Laws of 1931, where expenditures may be budgeted for "New Buildings and Alterations," it specifically provides "Not financed from sale of bonds." This, we think, expresses the intent of the legislature that the expenditure of the proceeds of bond sales for building purposes shall be exempt from the budget law.