

2597.

DISAPPROVAL, REFUNDING BONDS OF NEWTON FALLS CONSOLIDATED SCHOOL DISTRICT, TRUMBULL COUNTY, OHIO, IN AMOUNT OF \$22,500.

COLUMBUS, OHIO, November 16, 1921.

*Department of Industrial Relations, Industrial Commission of Ohio, Columbus, Ohio.*

Re: Refunding bonds of Newton Falls Consolidated School District, Trumbull county, in the amount of \$22,500.

GENTLEMEN:—I have examined the transcript submitted to me in connection with the above bond issue and am unable to approve the validity of said bonds for the following reasons:

(1) The financial statement of the clerk, prepared under direction of the board of education and upon the basis of which the board subsequently authorized the issuance of bonds, does not comply with the provisions of section 2 of House Bill 254 in that the clerk has failed to certify under oath that a deficiency exists in the amount thereof.

(2) In the items of unfunded obligations set forth in the clerk's financial statement as of March 1, 1921, are at least two items which I am unable to approve as valid obligations of the school district. One of these items is for \$10,385.49 due The Heller Bros. Co., balance on building, and the other is for \$4,889.40 due the W. J. Scholl Co., balance for plumbing. Apparently these items are for construction work. I know of no provision of the General Code which authorizes a board of education to contract obligations of this character without funds in the treasury for the purpose of paying the same. Said obligations may be moral obligations of the district, but they certainly are not legal obligations.

In view of the amount of the tax duplicate of the school district referred to, the board of education would have been unable to issue bonds for the sum of these two amounts without submitting the question of such issue to a vote of the electors. It was certainly not the intention of the legislature in the enactment of House Bill 254 to authorize a board of education to incur obligations to the extent indicated in this transcript and then to pay such obligations by the issuance of deficiency bonds. These bills referred to cannot be considered as current or operating expenses, but are undoubtedly obligations incurred for construction work for which the General Code authorizes the issuance of bonds after the question of making such expenditures is submitted to the electors of the school district.

There are other items in the statement of unfunded obligations which are apparently of the same character, but the two referred to are sufficient in amount to justify a disapproval of the entire issue. I therefore advise the industrial commission not to purchase the bonds above described.

Respectfully,

JOHN G. PRICE,

*Attorney-General.*