December 8, 2000

Mr. Curtis Pinch
Reese Public Schools
9535 Center Street
Reese, Michigan 48757

Dear Mr. Pinch:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated October 11, 2000, appears to meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert
Director
Bureau of Local Government Services

Attachment

www.treasury.state.mi.us

601
Mr. Ronald A. West, Director of Operations
School District of the City of Clawson
626 Phillips Street
Clawson, Michigan 48017

Dear Mr. West:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01–98, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated August 18, 1998, appears to meet the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hipert
Director
Bureau of Local Government Services

Attachment
August 18, 1998

Ms. Linda Rairigh
State of Michigan
Department of Treasury
Local Audit and Finance Division
430 West Allegan
Lansing, Michigan 48922

Dear Ms. Rairigh:

This letter is to confirm our telephone conversation on July 30, 1998 requesting approval to use sinking fund monies for the replacement of the gym floor at Clawson Middle School due to a sewer backup during a severe thunderstorm.

This request was made because our insurance policy does not cover sewer back-ups, therefore, the district has to cover the cost to replace the floor. The total cost for removing the old floor and installing a new floor is $49,185.

In our discussion that day you gave me verbal approval, and you requested that I follow up with a letter.

Please do not hesitate to contact me at (248) 435-7500, extension 210, should you have any questions.

Sincerely,

Ronald A. West
Director of Operations
April 17, 1998

Mr. William D. Hannon, Director of Business Services
School District of the City of Clawson
626 Phillips
Clawson, Michigan 48017

Dear Mr. Hannon:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 61-65, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the school district may temporarily advance funds from its General Operating Fund for allowable Sinking Fund expenditures. You will need to send additional information, if you would like specific approval for the renovations projects mentioned in your letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
March 23, 1998

Ms. Linda Rairigh
State of Michigan
Department of Treasury
Local Audit and Finance Division
430 West Allegan
Lansing, MI 48922

Dear Ms. Rairigh,

I am sending you this letter to request your opinion regarding whether the District may advance funds from its General Operating Fund to its Sinking Fund pending receipt of tax monies.

We are planning to perform certain renovations on one of our buildings to prepare it for an Alternative Education Program. We expect to have the work done during October through December 1998. Since our levy is a winter levy, we will not have any significant collections before January of 1999. We would like you to address the permissibility of the General Fund advancing sufficient dollars to the Sinking Fund to pay for these projects until such time the Sinking Fund has the funds available to reimburse the General Fund.

Sincerely,

[Signature]
William D. Hannon, CPA
Director of Business Services

Cc: Jim Pinsoneault, Superintendent
    Ron West, Director of Operations
Mr. Ronald A. West, Director of Operations  
School District of the City of Clawson  
626 Phillips Street  
Clawson, Michigan 48017

Dear Mr. West:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01--95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list, dated September 26, 1996, appears to meet the requirements of both the act and the numbered letter assuming that none of the funds will be used for maintenance.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert  
Deputy State Treasurer

Attachment
SCHOOL DISTRICT OF THE CITY OF CLAWSON

Mr. Ronald West, Director of Operations
(Transportation)

September 26, 1996

Ms. Linda Rairigh
State of Michigan
Department of Treasury
Treasury Building
Lansing, Michigan 48992

Re: School District Sinking Fund

Dear Ms. Rairigh:

On September 16, 1996, the School District of the City of Clawson held a special election to levy 3 mills to establish a building and site sinking fund for building and site purposes. The ballot language was as follows:

Millage Proposition
Building and Site Sinking Fund Tax Levy

"Shall the School District of the City of Clawson be authorized to levy against all property within the school district, no more than 3 mills ($3.00 on each $1,000.00 of tax valuation) for a period of ten (10) years, being 1997 to 2007 inclusive, to be used for the creation of a sinking fund for the construction to or repair of existing school buildings? General Fund monies advanced to the Sinking Fund for the start-up of this project will be transferred back to the General Fund as the money is collected from tax revenues."

______ YES
______ NO

The voters of the School District of the City of Clawson approved the millage proposition two to one. Therefore, I am requesting your approval to do the following building and site projects for the first year of the ten year millage. These projects were recommended to the voters and are estimates only:

626 Phillips Street
Clawson, Michigan 48017

(810) 435-7500
FAX (810) 280-9832

607
March 9, 2001

Ms. Janet Yachim, Business Manager
Owosso Public Schools
P.O. Box 340
Owosso, Michigan 48867-0340

Dear Ms. Yachim:

We recently received a letter from Facility Consultation & Management Services, Inc. on your behalf regarding the School Code Sinking fund requirements. He is requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated January 23, 2001, appears to meet the requirements of the act, with the following exceptions and clarifications:

✓ Lockers are considered to be equipment and are not allowable sinking fund expenditures unless they are structurally designed to be part of the building, are permanently mounted into the walls and are a part of the structure.
✓ Painting walls and ceilings is not an acceptable use of sinking fund money and is considered to be routine maintenance. Painting of new construction is, however, an acceptable use of sinking funds.
✓ Telecommunications systems and technology installation and replacement are, in part, acceptable. The equipment itself has been determined to be unacceptable, however, sinking fund money may be used for wiring or materials used for installation.
✓ Clean, seal and caulk exterior masonry, is acceptable only if it is for purposes of repairing the masonry. Maintenance is not an acceptable use of sinking funds.
✓ Lighting upgrades are acceptable if they are replacements of existing lighting.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert
Director
Bureau of Local Government Services

Attachment

Cc: Gavin Gardi; Facility Consultation & Management Services, Inc.

www.treasury.state.mi.us
January 23, 2001

Department of Treasury
Local Audit and Finance Division
Department of Treasury
430 West Allegan Street
Lansing, MI 48922

Attn: Linda Rairigh

Re: Owosso Public Schools Sinking Fund Projects

Dear Linda:

We have been retained by Owosso Public Schools to assist them with implementation of their Sinking Fund Program. To that end, we have worked with the School District to quantify the specific projects that the School District had identified to be accomplished and have prepared the attached list.

In order to ensure that the Sinking Fund proceeds are spent according to the Sinking Fund requirements, we request an official opinion from the Department of Treasury as to whether any of the identified projects would not be allowed to be funded with Sinking Fund proceeds.

Please send your official opinion to Janet Yachim, Business Manager, PO Box 340, Owosso, MI 48867-0340; and a copy to us. Thank you for your attention to this request. I look forward to working with you again on this and other School District projects.

Sincerely,

Gavin Gardi
President
 Facility Consultation & Management Services, Inc.

GG/ing

//enclosure

cc: Larry Audet, Superintendent, Owosso Public Schools
     Janet Yachim, Business Manager, Owosso Public Schools

6090 Park Lake Road       Bath, Michigan 48808       Voice/Fax (517) 641-7398
February 24, 2003

Ms. Julie A. Omer, Business Manager
Owosso Public Schools
1405 West North Street, P. O. Box 340
Owosso, Michigan 48866

Dear Ms. Omer:

Thank you for your letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated January 8, 2003, meet the requirements of the act.

If I can assist further let me know.

Sincerely,

[Signature]
Frederick Headen, Director
Bureau of Local Government Services

Enclosure
January 3, 2003

Local Audit and Finance
Department of Treasury
Attn: Linda Rairigh
430 West Allegan Street
Lansing, MI 48922

RE: Owosso Public Schools 2002 Sinking Fund Projects

Dear Linda:

The Owosso Public Schools would like to respectfully request an official written Opinion on the following projects planned for implementation the summer utilizing the revenue from the Sinking Fund Millage:

- **Window Replacement** – This project includes window replacement at several of the elementary buildings in the District.
- **Emerson and Washington Interior Upgrades** – Upgrade interior finishes in the central hallways and certain classrooms, including more efficient lighting, flooring, and the painting of affected walls and ceilings.
- **Emerson Masonry Restoration** – Stabilize exterior masonry through tuckpointing, sealing, and waterproofing.
- **Construction of new classroom** – construction of new classroom for new buildings trades program on currently owned property.
- **High School Parking lot repair** – Repair parking lot and bus loop.
- **Design and create Bus Pick up/Drop off area** – create bus pick up and drop off area.

Each of these projects was planned using the specifications outlined in Section 1212 of the School Code and Letter No. 01-95.

Please let me know if you have any questions regarding these projects. I sincerely appreciate your time in responding to this request.

Sincerely,

Julie A. Omer
Business Manager

1405 W. North St., P.O. 340, Owosso, MI 48867  Phone 989-723-8131 Fax 989-723-7777
July 12, 2001

Mr. Gavin Gurd, President
Facility Consultation & Management Services
6090 Park Lake Road
Bath, Michigan 48808

Dear Mr. Gurd:

Thank you for your recent letter on behalf of Owosso Public Schools regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated May 7, 2001, appears to meet the requirements of the act, with the following exceptions:

- Owosso High School Bank – our concern is that this may not be an acceptable use of school district funds including but not limited to use of sinking fund money. In what way is this a school district project and not a private purpose?

If I can assist further let me know.

Sincerely,

Mark A. Hilbert, Director
Bureau of Local Government Services

Attachment

Cc: Owosso Public Schools
    Ms. Kathy Weller, Office of Audits, Michigan Department of Education
May 7, 2001
Ms. Linda Rairigh
Page 2

Please send your official Opinion to Ms. Julie Omer, Business Manager, Owosso Public Schools, PO Box 340, Owosso, Michigan 48867-0340, and a copy to us. Thank you for your attention to this request. We look forward to your prompt reply as these projects are about to begin.

Sincerely,

[Signature]
Gavin Gardi
President
Facility Consultation & Management Services, Inc.

GG/mg

cc: Larry Audet, Superintendent, Owosso Public Schools
Julie Omer, Business Manager, Owosso Public Schools
March 9, 2001

Ms. Janet Yachim, Business Manager
Owosso Public Schools
P.O. Box 340
Owosso, Michigan 48867-0340

Dear Ms. Yachim:

We recently received a letter from Facility Consultation & Management Services, Inc. on your behalf regarding the School Code Sinking fund requirements. He is requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated January 23, 2001, appears to meet the requirements of the act, with the following exceptions and clarifications:

✓ Lockers are considered to be equipment and are not allowable sinking fund expenditures unless they are structurally designed to be part of the building, are permanently mounted into the walls and are a part of the structure.
✓ Painting walls and ceilings is not an acceptable use of sinking fund money and is considered to be routine maintenance. Painting of new construction is, however, an acceptable use of sinking funds.
✓ Telecommunications systems and technology installation and replacement are, in part, acceptable. The equipment itself has been determined to be unacceptable, however, sinking fund money may be used for wiring or materials used for installation.
✓ Clean, seal and caulk exterior masonry, is acceptable only if it is for purposes of repairing the masonry. Maintenance is not an acceptable use of sinking funds.
✓ Lighting upgrades are acceptable if they are replacements of existing lighting.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment

Cc: Gavin Gardi, Facility Consultation & Management Services, Inc.
January 23, 2001

Department of Treasury
Local Audit and Finance Division
Department of Treasury
430 West Allegan Street
Lansing, MI 48922

Attn: Linda Rairigh

Re: Owosso Public Schools Sinking Fund Projects

Dear Linda:

We have been retained by Owosso Public Schools to assist them with implementation of their Sinking Fund Program. To that end, we have worked with the School District to quantify the specific projects that the School District had identified to be accomplished and have prepared the attached list.

In order to ensure that the Sinking Fund proceeds are spent according to the Sinking Fund requirements, we request an official opinion from the Department of Treasury as to whether any of the identified projects would not be allowed to be funded with Sinking Fund proceeds.

Please send your official opinion to Janet Yachim, Business Manager, PO Box 340, Owosso, MI 48867-0340, and a copy to us. Thank you for your attention to this request. I look forward to working with you again on this and other School District projects.

Sincerely,

Gavin Gardi
President
Facility Consultation & Management Services, Inc.

GG/mg

//enclosure

cc: Larry Audet, Superintendent, Owosso Public Schools
Janet Yachim, Business Manager, Owosso Public Schools

6090 Park Lake Road
Bath, Michigan 48808
 Voice/Fax (517) 641-7398

615
March 17, 1999

Mr. Patrick J. Berardo
Thrun, Maatsch and Nordberg
P.O. Box 40999
Lansing, Michigan 48901-7899

Dear Mr. Berardo:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01–95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated February 16, 1999, appears to meet the requirements of both the act and the numbered letter with the qualification that central air conditioning systems are acceptable, room air conditioning units are considered to be equipment and are not acceptable.

If I can assist further, let me know.

Sincerely,

[Signature]

Mark A. Hilpert, Director
Bureau of Local Government Services

c: Mr. R. Michael Hubert, Director of Business; Owosso Public Schools

Attachment
November 5, 1998

Mr. Patrick J. Berardo
Thrus, Maatsch and Nordberg, P.C.
501 S. Capitol Avenue, Suite 500
PO Box 40609
Lansing, MI 48901-7899

Dear Pat:

As you are aware, the voters of Owosso Public Schools approved a Sinking Fund on September 19, 1998. We are now at the point where we would like to obtain written approval that the projects outlined in the Sinking Fund are permissible under Section 1212 of the Revised School Code.

I would like for you to facilitate obtaining written approval from the appropriate state agencies to allow us to move forward with the planning for the completion of the referenced projects. The projects will be limited to replacing existing roofs, replacing existing windows, and adding air-conditioning in certain computer labs. I would additionally like approval for the associating professional fees (architect, legal, audit, etc.) to be allowable expenditures of the Sinking Fund.

Should you have any questions regarding the project items noted herein, or have any other questions, please don't hesitate to contact me.

Sincerely,

R. Michael Hubert, CPA
Director of Business

1405 W. North St., P.O. Box 340, Owosso, MI 48867 Phone 517-723-8331 Fax 517-723-7777
Owosso Public Schools

Millage Proposal

Ballot Question September 19, 1988

 Shall the limitation on the amount of taxes which may be assessed against all taxable property within the Owosso Public School District be increased by $3,000,000 on the tax rolls for the period of three years, 1989-90 to 1991-92, for the purpose of erecting school buildings, the estimated cost of the additional school needed by the district is approximately $900,000.

Owosso Public School Facts:
1. Owosso High School, our newest school, was constructed in 1965 and is 30 years old.
2. Our central administration building was constructed in 1960 and is 34 years old.
3. Our oldest school, Owen School, was originally constructed in 1824 and is 172 years old.

Summary:

<table>
<thead>
<tr>
<th>Building</th>
<th>Roof Costs</th>
<th>Air Conditioning Costs</th>
<th>Total Cost for Buildings</th>
<th>Total Cost for All Items</th>
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<tbody>
<tr>
<td>Bentley Elementary School</td>
<td>$2,500</td>
<td>$400</td>
<td>$2,900</td>
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<tr>
<td>Owen Elementary School</td>
<td>$2,900</td>
<td>$400</td>
<td>$3,300</td>
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<td>Central Elementary School</td>
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<td>$400</td>
<td>$2,600</td>
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<td>Central Elementary School Section B</td>
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<td>$2,200</td>
<td>$2,200</td>
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<tr>
<td>Central Elementary School Section D</td>
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<td>$2,200</td>
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<tr>
<td>Junior High School</td>
<td>$4,000</td>
<td>$400</td>
<td>$4,400</td>
<td>$4,400</td>
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<tr>
<td>Washington Elementary School</td>
<td>$4,000</td>
<td>$400</td>
<td>$4,400</td>
<td>$4,400</td>
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<tr>
<td>Total Amount For Three Years</td>
<td>$15,000</td>
<td>$1,200</td>
<td>$16,200</td>
<td>$16,200</td>
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</tbody>
</table>

(Revised estimate: total amount for the millage is $16,200.)

(Net savings realized will be on file at the School District Office.)
April 10, 2000

Mr. Duane Lange, Superintendent
Marlette Community Schools
3051 Moore Stree
Marlette, Michigan 48453

Dear Mr. Mr. Lange:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated March 3, 2000, appears to meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
March 3, 2000

Mrs. Linda Rairigh
Local Audit Finance Division
Michigan Department of Treasury
430 West Allegan
Lansing, Michigan 48922

Dear Mrs. Rairigh,

Thank you for taking the time to speak with me this week regarding a sinking fund millage. As I stated on the phone, Marlette Community Schools Board of Education is discussing the possibility of proposing a sinking fund millage to the citizens of district.

Prior to proceeding with this process I would like you to confirm that the following projects could be funded with sinking funds.

- Repair and replacement of several of the districts flat roofs. These are the original roofs that have been on for a minimum of twenty-five years.
- Replacement of entrance doors and locks throughout the district.
- Repair, resealing and re-striping of the district’s parking lots.
- Sanding, painting, and refinishing the high school gym floor. It was last done in June of 1988.
- Expansion of the bus garage.
- Repair cracks, reline, and reseal the high school running track.

If you have any questions, please contact me at (517) 635-4900 or by fax at (517) 635-7103.

Sincerely,

Duane Lange, Superintendent
Marlette Community Schools
August 31, 2001

Ms. Vicki S. Watson, Business Manager
Sturgis Public Schools
216 Vinewood
Sturgis, Michigan 49091

Dear Ms. Watson:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated July 27, 2001 meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
July 27, 2001

Mark A. Hilpert, Director
Bureau of Local Government Services
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

Sturgis Public Schools Sinking Fund Projects scheduled for 2001 – 2002 include:

- Replacement of Tennis Courts (does not include equipment expense)
- Elementary school unit ventilator replacement
- Elementary school window replacement

Please review the list and call me if you have any questions or need further clarification. If you feel these proposed projects are in compliance with the sinking fund requirements, please respond in writing.

Thank you for your time and consideration.

Cordially,

Vicki S. Watson
Business Manager
September 8, 2000

Ms. Vicki S. Watson, Business Manager
Sturgis Public Schools
216 Vinewood
Sturgis, Michigan 49091

Dear Ms. Watson:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated July 11, 2000, appears to meet the requirements of the act, with the following clarification: Replacement of tennis courts does not include nets or other equipment expenses.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
July 11, 2000

Mark A. Hilpert, Director
Bureau of Local Government Services
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

Sturgis Public Schools Sinking Fund Projects scheduled for 2000–2001 and their estimated costs include:

- Replacement of Tennis Courts $30,000
- High School Ticket Booth/Storage Building $5,000
- Roof Replacement Survey and Replacement of North Addition High School Roof $110,000

Please review the list and call me if you have any questions or need further clarification. If you feel these proposed projects are in compliance with the sinking fund requirements, please respond in writing.

Thank you for your time and consideration.

Cordially,

Vicki S. Watson
Business Manager

Enclosure
July 11, 2000

Mark A. Hilpert, Director
Bureau of Local Government Services
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

Sturgis Public Schools Sinking Fund Projects scheduled for 2000–2001 and their estimated costs include:

- Replacement of Tennis Courts $30,000
- High School Ticket Booth/Storage Building $5,000
- Roof Replacement Survey and Replacement of North Addition High School Roof $110,000

Please review the list and call me if you have any questions or need further clarification. If you feel these proposed projects are in compliance with the sinking fund requirements, please respond in writing.

Thank you for your time and consideration.

Cordially,

Vicki S. Watson
Business Manager

Enclosure
October 4, 1999

Ms. Vicki S. Watson, Business Manager
Sturgis Public Schools
215 Vinewood
Sturgis, Michigan 49091

Dear Ms. Watson:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting and opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated August 30, 1999, appears to meet the requirements of both the act and the numbered letter, with the following exceptions and clarifications:

1999-99 Projects:
Bleachers - HS gym, baseball, portables all sites to meet codes - portable bleachers have been determined to be equipment and are not allowable expenditures from sinking funds.

1999-2000 Projects:
Restroom renovation ADA Compliance all schools and Building Entrances ADA compliance all schools - these expenditures are acceptable unless they include any furniture or equipment. Those expenditures would not allowable from sinking fund money.

If I can assist further let me know.

Sincerely,

Mark Hilpert, Director
Bureau of Local Government Services
August 30, 1999

Mark A. Hilpert, Director
Bureau of Local Government Services
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Mr. Hilpert:

Enclosed is a revised list of Sinking Fund Projects scheduled for 1999 and beyond. We received approval for many of these projects from you on June 12, 1998, June 11, 1997 and October 16, 1996. Project costs have been adjusted to reflect current estimates. Please review the list and let me know if you have any questions or need further clarification. If you feel the attached list of projects is in compliance with the sinking fund requirements, please respond in writing.

Thank you for your time and consideration.

Cordially,

Vicki S. Watson
Business Manager

Enclosure
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<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Cost</th>
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<tr>
<td>1996-97</td>
<td>Property Tax Revenue</td>
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<td>1996-97</td>
<td>Completed Projects:</td>
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<tr>
<td></td>
<td>High School/Middle School Gym Roof Replacement</td>
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<td>Fund Balance 820097</td>
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<td>Property Tax Revenue</td>
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<td>1997-8</td>
<td>Completed Projects:</td>
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<tr>
<td></td>
<td>Sidewalk along Laketown Ave., new constr.</td>
<td>4,370</td>
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<td></td>
<td>Sidewalk along Orange &amp; Winznel Sta., new constr.</td>
<td>1,840</td>
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<td></td>
<td>Sidewalk along Franka Ave., new constr.</td>
<td>15,163</td>
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<td>High School Streets &amp; Parking Lots repairs</td>
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<td>Wall School Parking Lot-repair</td>
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<td>Fawn River Parking-repairs</td>
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<td>Complete M &amp; T gym/fitness room/window replacement</td>
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<td>Wall/Winznel School Fence-new construction</td>
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<td>Girls softball diam.-new constr.</td>
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<td>High School north addition/drafting ceiling tile rep.</td>
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<td>Transportation Building Addition preliminary drawings</td>
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<td>1998-9</td>
<td>Completed Projects:</td>
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<td></td>
<td>High School north addition/drafting ceiling tile rep.</td>
<td>13,997</td>
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<td>Restroom renovation ADA Compliance all schools</td>
<td>47,468</td>
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<td>Building Entrance ADA compliance all schools</td>
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<td></td>
<td>Athletic Field Pole Barn</td>
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<td></td>
<td>Baseball field renovation</td>
<td>3,436</td>
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<td>Breachers- HS gym, baseball, portables all sites to meet codes</td>
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<td>Building Entrance ADA compliance all schools</td>
<td>10,000</td>
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<td>Middle School roof replacement-athletic addition &amp; boiler room</td>
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<td>Estimated Fund Balance 8200/00</td>
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<td>Estimated Future Funds Available</td>
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<td>Future Projects:</td>
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<td>High School roof - north addition - replacement</td>
<td>100,000</td>
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<td></td>
<td>Eastwood School Fence</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Window replacement-Congress/Wall/Winznel Schls.</td>
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<tr>
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<td>Window replacement - High School</td>
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<tr>
<td></td>
<td>Estimated Cost of Future Projects</td>
<td>600,000</td>
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</table>
June 11, 1997

Ms. Holly A. Keyser, Business Manager
Sturgis Public Schools
216 Vinewood
Sturgis, Michigan 49091

Dear Ms. Keyser:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the new items on the attached project list letter, dated May 30, 1997, appear to meet the requirements of both the act and the numbered letter, with the reminder that sinking fund money can NOT be used for furnishing or equipping. Please send specific information if you feel that any of the proposed expenditures may fall into that category.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert
Deputy State Treasurer

Attachment
May 30, 1997

Ms. Linda Rairigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Linda:

Enclosed is a revised list of Sinking Fund Projects scheduled for 1997 and beyond. We received approval for many of these projects from you on October 18, 1996. Project costs have been adjusted to reflect current estimates and new projects are indicated in bold. Please review the list and let me know if you have any questions or need further clarification. If you feel the attached list of projects is in compliance with the sinking fund requirements please respond in writing.

Thank you for your time and consideration.

Sincerely,

Holly A. Keyser
Business Manager
### FUTURE BUILDING PROJECTS

#### 1996-1997

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>High School/Middle School Gym Roof Replacement</td>
<td>$135,000</td>
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<tr>
<td>Sidewalk Repairs</td>
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<tr>
<td>Sidewalk along Lakeview Ave - new construction</td>
<td>5,000</td>
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<tr>
<td>Sidewalk along Orange &amp; Wenzel Streets - new construction</td>
<td>2,715</td>
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<td>Sidewalk along Pranks Ave. - new construction</td>
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#### 1997-1998

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<tr>
<td>Parking Lot/Street Projects</td>
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<tr>
<td>High School Streets and Parking Lots - repairs</td>
<td>166,000</td>
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<td>Wall School Parking Lot - repairs</td>
<td>21,100</td>
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<td>Fawn River Parking - repairs</td>
<td>4,000</td>
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<tr>
<td><strong>Window Project</strong></td>
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<tr>
<td>Complete Middle School gym/locker room window replacement</td>
<td>35,000</td>
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<tr>
<td><strong>Fence Projects</strong></td>
<td></td>
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<tr>
<td>Wall School Fence - new construction</td>
<td>13,000</td>
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<tr>
<td>Wenzel School Fence - new construction</td>
<td>7,500</td>
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<tr>
<td>Tennis Courts Fence - new construction</td>
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<td><strong>Bleacher Repairs</strong></td>
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<tr>
<td>Girls Softball Diamond - new construction</td>
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<td><strong>Sub Total 1997</strong></td>
<td><strong>$259,600</strong></td>
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#### 1998-1999

<table>
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<tr>
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<tr>
<td>Transportation Building Addition</td>
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<td>ADA - Building Code Requirements</td>
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<tr>
<td>Restroom renovation ADA compliance all schools</td>
<td>50,000</td>
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<tr>
<td>Building entrances ADA compliance all schools</td>
<td>120,000</td>
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<tr>
<td>High School north addition/drying ceiling tile replacement</td>
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<tr>
<td>High School Gym, Baseball, Portables, All Sites to Meet Codes</td>
<td>30,000</td>
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<tr>
<td><strong>Roof Replacement or Restoration</strong></td>
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<tr>
<td>High School roof north addition - Replacement</td>
<td>100,000</td>
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<tr>
<td><strong>Fence Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Eastwood School Fence</td>
<td>50,000</td>
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<tr>
<td><strong>Sub Total 1999</strong></td>
<td><strong>$525,000</strong></td>
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#### 1999-2000

<table>
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<th>Cost</th>
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<tbody>
<tr>
<td>Window Projects</td>
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<tr>
<td>Window Replacement, Congress/Wall/Wenzel Schools</td>
<td>250,000</td>
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<tr>
<td>Window Replacement, High School</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Roof Replacement</strong></td>
<td></td>
</tr>
<tr>
<td>Middle School roof replacement - art/music addition &amp; boiler room</td>
<td>75,000</td>
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<tr>
<td><strong>Sub Total 1999-2000</strong></td>
<td><strong>$525,000</strong></td>
</tr>
</tbody>
</table>
October 23, 1997

Ms. Holly A. Keyser, Business Manager
Sturgis Public Schools
216 Vinewood
Sturgis, Michigan 49091

Dear Ms. Keyser:

Thank you for your recent letter regarding the School Code Sinking Fund requirements in relation to a gym roof replacement project that was previously approved by this office for expenditure from sinking fund money. You are requesting that I look at the report of actual expenditures and determine if they are all appropriate. That is a determination that must be made initially by your auditors during the course of their audit. We will then review that audit and if necessary will send our own auditors to determine if the expenditures were appropriate. I can, however, reiterate that gym roof replacement is an appropriate expenditure from sinking funds.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
October 1, 1997

Ms. Linda Rairigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Linda:

Enclosed is a final line item printout from our 96/97 Building and Site sinking fund. All of the expenditures listed relate to the roofing project that was already approved by your office. Please review the list and let me know if you have any questions or need further clarification. If you question any of the expenditures listed please respond in writing. The purpose of this letter is to ensure that we continue to be in compliance with the sinking fund requirements.

Thank you for your time and consideration.

Sincerely,

Holly A. Keyser
Business Manager
## STURGIS PUBLIC SCHOOLS
### BUILDING & SITE SINKING FUND

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<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Balance</th>
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<tr>
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<td>$289,161</td>
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<td>Projects to complete this FY (est):</td>
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<td>162,669</td>
<td>$162,669</td>
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<td>Ending Fund Balance</td>
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<td>$162,669</td>
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<td><strong>1997-98 Revenues</strong></td>
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<tr>
<td></td>
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<td>Sidewalk along Lakelawn Ave.-new constr.</td>
<td>5000</td>
<td>419,569</td>
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<tr>
<td>Sidewalk along Orange &amp; Wenzel Sts.-new constr.</td>
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<td>Sidewalk along Freitas Ave.-new constr.</td>
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<td>High School Streets &amp; Parking Lot-repairs</td>
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<td>Wall School Parking Lot-repair</td>
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<td>Farm River Parking-repairs</td>
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<td>Complete MS gym locker room window replace.</td>
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<td>107,828</td>
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<td>Wall/Wenzel School Fence-new construction</td>
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<td>144,160</td>
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<td>Tenta Coatla Fence-repair</td>
<td>3000</td>
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<td>Bleacher repair - girls softball, new constr.</td>
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<td>Ending Fund Balance</td>
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<td>$121,160</td>
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<td><strong>1998-99 Revenues</strong></td>
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<td>$284000</td>
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<td>Projects to complete 98-99(est):</td>
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<tr>
<td>Transportation Building Addition</td>
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<td>290,150</td>
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<td>Restroom renovation ADA Compliance all schools</td>
<td>6000</td>
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<td>Building Environments ADA compliance all schools</td>
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<td>High School north addition/replacement ceiling, roof</td>
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<td>Bleacher repair- new gym, additions, problem-all due to bad weather</td>
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<td>High School roof, north addition replacement</td>
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<td>Eastwood School Fence</td>
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<td>Window replacement - High School</td>
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<tr>
<td>Middle School roof replacement-estimate addition &amp; boiler room</td>
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<td>E.H. BAKER ARCHITECT</td>
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<td>ROOF REPLACEMENT PROJECT</td>
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<td>4001: (final check)</td>
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<td>4003: (final check)</td>
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<th>ACCT NO: 41-200-0600-000000</th>
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<td>07/26/96: 500.00</td>
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<td>L. H. RILEY CONSTRUCTION</td>
<td>09/29/96: 500.00</td>
<td></td>
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<tr>
<td>U.S. FENCE CO</td>
<td>05/20/97: 12,250.00</td>
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<td>U.S. FENCE CO</td>
<td>06/14/97: 12,250.00</td>
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<td>DEBT: 90,000.00</td>
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STATE OF MICHIGAN

DEPARTMENT OF TREASURY

TREASURY BUILDING
LANSING, MICHIGAN 48922

June 12, 1998

Ma. Huly A. Keyser, Business Manager
Sturgis Public Schools
216 Vinewood
Sturgis, Michigan 49091

Dear Ma. Keyser:

Thank you for your recent letter regarding the School Code Sinking Fund requirements. Pursuant to Department of Treasury Letter No. 01-95, you are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the Athletic Field Pole Barn can be constructed from sinking fund money and appears to meet the requirements of both the act and the numbered letter.

If I can assist further, let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
June 4, 1998

Ms. Linda Rainigh, Manager
Local Audit and Finance Division
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

Dear Linda:

Enclosed is a revised list of Sinking Fund Projects scheduled for 1998 and beyond. We received approval for many of these projects from you on October 16, 1996. Project costs have been adjusted to reflect current estimates and new projects are indicated in bold. Please review the list and let me know if you have any questions or need further clarification. If you feel the attached list of projects is in compliance with the sinking fund requirements please respond in writing.

Thank you for your time and consideration.

Sincerely,

Holly A. Keyser
Business Manager
February 24, 2003

Mr. Bruce Nelson, Superintendent
Fairview Area Schools
1879 East Miller Road, P. O. Box 129
Fairview, MI 48621

Dear Mr. Nelson:

Thank you for your letter regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated January 6, 2003, meet the requirements of the act, with the following exceptions/qualifications/clarifications:

- (2) Signs that are structures that require design work, are constructed, and are intended to be a permanent structure are an acceptable use of sinking fund expenditures; lettering that is added is an unacceptable use of sinking fund expenditures.
- (4) Automated system; (5) water softener system; (20) surveillance cameras (22) building and grounds maintenance equipment—these items are considered to be equipment and are not acceptable sinking fund expenditures.
- (12) and (13) Upgrading of computer technology—wiring or materials used for installing technology are acceptable use of sinking fund expenditures; equipment and software are not acceptable uses of sinking fund expenditures.
- (23) Playground—acceptable uses of sinking fund expenditures includes structures that require design work; site preparation; an estimated life of at least 20 years; built in compliance with federal guidelines; constructed (not portable or snap together); and are intended to be a permanent structure. This will not include equipment that is used as part of the structure, such as swings, slides, ropes, nets, and rubber or other items that are detachable and/or must be replaced on a regular basis. Single pieces of equipment, even if permanently attached to the ground, such as swing sets, slides, merry-go-rounds and teeter-totters, are not considered to be a structure, but are equipment.
* (10) Additional information concerning the drinking fountains is necessary before a determination can be made regarding whether it is an acceptable use of sinking fund expenditures.

If I can assist further let me know.

Sincerely,

Frederick Headen
Director
Bureau of Local Government Services

Enclosure

c: Beverly J. Bonning, Thrun, Maatsch and Nordberg
January 06, 2003

Ms April Griffin
Department of the Treasury
Local Audit and Finance Division
First Floor, Treasury Building
Lansing, MI 48922

Re: Use of Sinking Fund Monies

Dear Ms Griffin:

The purpose of this letter is to request approval to use sinking fund monies for several projects set forth below. Each is described in the enclosure:

1. Brick replacement and tuck point mortar work on several outside walls
2. Construction of a lighted, electronic school sign
3. Replacement of the central water heaters for the building
4. Purchase and installation of water treatment and chemical regulation system to be attached to the school’s heating system
5. Purchase and installation of a water softener system
6. Replacement of four room heat/ventilation units and tie them in to the central heating computer
7. Replacement of the multipurpose room air-return heat/ventilation units
8. Purchase and installation of rooftop or exterior air conditioning units using the existing heat and ventilation ducts to deliver cooled air (Units would air-condition the media center, several business offices, and a computer lab)
9. Resurface and repair of the multipurpose room hardwood flooring
10. Replacement of three aging public drinking fountains
11. Purchase and hardware installation of free field amplification units in school classrooms
12. Replace outdated Novell Netware Production Server, Macintosh Server, Web Server, and Filtering Server
13. Replace MDF, IDP Fast Ethernet Managed Switches, Mobile Lab Fast Switches and Firewall Application
14. Purchase and install a telephone warning system for the freezer/cooler system
15. Remodeling of three restrooms and two office suites, replace windows with thermal pane windows and insulate the remaining wall, repaint the rooms due to the remodeling, remodel two of the entry ways leading to the high school
16. Asbestos abatement to become asbestos free, it would require carpet removal and replacement
17. Acquire four acres of neighboring land to relocate the bus maintenance garage, place a well and septic, and alter the traffic flow for the school and student parking

"Expect Excellence"

640
18. Remove and replace blacktop in driveway and parking in front of school, resurface rear parking, restrip the parking lines
19. Refinish the track surface and relinie the lanes
20. Fence the property for security reasons, installing surveillance cameras
21. Replace building shingles with either a new shingled roof or a longer lasting metal roof
22. Purchase equipment for building and grounds maintenance
23. Bring the elementary playground up to safety standards through replacement and addition of play units
24. Replace heating units in elementary wing and tie in to the heating computer
25. Install irrigation system to the soccer field

Your prompt review of this letter is greatly appreciated. I realize that some of the items may not be approved but knowing in advance helps us to both plan effectively and avoid making an error. Please do not hesitate to contact me if you have any questions regarding the enclosure.

Very truly yours,

Bruce Nelson
Superintendent
August 17, 2001

Ms. Tina M. Powers, Executive Director of Business and Finance Gaylord Community Schools 615 South Elm Street Gaylord, Michigan 49735-1253

Dear Ms. Powers:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated June 7, 2001 meet the requirements of the act, with the following qualification:

- Sinking fund moneys may be used for purposes of making bond principal and interest payments on energy bonds if the proceeds of the bonds were used for purposes for which sinking fund moneys could be used.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director Bureau of Local Government Services

Attachment
Linda Rairigh  
State of Michigan  
Department of Treasury  
Treasury Building  
Lansing, MI 48922  

June 7, 2001

Dear Ms. Rairigh,

This letter is to request prior approval for an item that we are considering and would like to include in Sinking Fund Expenditures.

We are facing a project for light replacement throughout the district that will realize a 42% energy savings for the district. This complete light replacement was planned for a few years down the road as part of our sinking fund but with increases in electricity facing the district we would like to complete the project now and issue energy bonds to pay for the project. We would like to know if it is permissible to issue the energy bonds, complete the project and pay back the bonds through the sinking fund?

If you have any questions that I can answer please call me at (517) 705-3002. We are working with Bev Bonning at Thrun, Mastich and Nordberg and our Architect is Terrence M. Morgridge from DEM Architects in Gaylord. The engineers who have prepared the RFP is Bayshore Engineering out of Traverse City Michigan.

Thank you in advance for your time and consideration.

Sincerely,

Tina M. Powers  
Executive Director of Business and Finance

615 South Elm Street • Gaylord Michigan 49735-1253  
Phone: (517) 705-3060 • Fax: (517) 705-6629
December 26, 2000

Ms. Tina M. Powers, Executive Director
Of Business and Finance
Gaylord Community Schools
615 South Elm Street
Gaylord, Michigan 49735-1253

Dear Ms. Powers:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated December 1, 2000, appears to meet the requirements of the act with the following clarification:

✓ Radio connectivity for technology—only includes the radio transmitters and antennas on the buildings and related wiring. Other receiving equipment within the buildings is considered to be equipment and is not an authorized use of sinking fund money.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert, Director
Bureau of Local Government Services

Attachment
Dear Ms. Rairigh,

This letter is to request prior approval for items that we are considering and would like to include in our Sinking Fund Expenditures.

We currently have a Dust Collection System for our Middle School Wood Shop that has broken down and cannot be repaired. This system has been ordered due to safety issues but we would like to pay for the system out of sinking fund. Please issue a determination.

Secondly, our district has 7 buildings that are non-contiguous; five of them are connected leaving two unconnected. We have researched several options for connecting these buildings for technology. Running cables underground is cost prohibitive and running cables overland presents us with two problems, first of all we would have to pay pole rental charges and would still be responsible for any damages to the cabing such as when the pole is knocked down by an accident or storm. These costs would be a continuing cost and therefore a long-term strain on the budget of the district. The third option is the one that we would like to proceed with, radio connectivity for technology. This would be accomplished by placing radio transmitters and antennas on these buildings. Two buildings would have the uni-directional systems and the central office would have the Omni-directional system. This could be considered in the realm of equipment, but the use is for the function of wiring to connect technology. A site survey must be completed in order to determine that the system would be totally functional. We would like to purchase the system through sinking funds. Please issue a determination.

Thirdly, there is a University Center and Technology Center being built in Gaylord within close proximity of our high school. We have been offered the opportunity of connecting to this center if we were to run the cable. This would result in allowing our students access to much more technology than we currently have. I understand that technology wiring is an acceptable use of funds under sinking fund, but the issue that one of the buildings that we would be connecting to is not owned by our school district and I would like your determination on the appropriateness of this expenditure for our sinking fund.

December 1, 2000

Gaylord Community Schools
State and National Exemplary Schools

Linda Rairigh
State of Michigan
Department of Treasury
Treasury Building
Lansing, MI 48922

DEC 05 2000

615 South Elm Street • Gaylord Michigan 49735-1253
Phone: (517) 705-3080 • Fax: (517) 732-6029
If you have any questions in regards to these items please call me at (517) 705-3002. Thank you for your time and attention.

Sincerely,

[Signature]

Tina M. Powers
Executive Director of Business & Finance
Mr. D. Michael Wescott  
Assistant Superintendent  
Frankenmuth School District  
941 East Genesee  
Frankenmuth, MI 48734

Dear Mr. Wescott:

Thank you for your letter regarding the School Code sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the items listed in your correspondence dated May 13, 2002, meet the requirements of the Act.

If I can assist further let me know.

Sincerely,

Frederick Headen, Acting Director  
Bureau of Local Government Services

Attachment
May 13, 2002

Mark A. Hiltpert
Bureau of Local Government Services
Mich. Dept. of Treasury
4th Floor Treasury Bldg.
Lansing, Mich. 48922

Dear Mr. Hiltpert,

I am submitting the following list of Sinking Fund projects we plan to complete during the 2002-03 school year.

1. Roof replacement at List Elementary School
2. Athletic Storage Building
3. Additional Sidewalks at List Elementary
4. Under ground utilities to a new concession stand
5. Protective dugout fencing at our baseball, softball and soccer fields

Would you please forward your opinion regarding whether these expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

Sincerely,

D. Michael Wescott
Asst. Superintendent
July 12, 2001

Mr. D. Michael Wescott, Asst. Superintendant
Frankenmuth School District
941 E. Genesee St.
Frankenmuth, Michigan 48734

Dear Mr. Wescott:

Thank you for your recent letter regarding the School Code Sinking fund requirements. You are requesting an opinion regarding whether specific expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

In my opinion, the attached project list/letter, dated May 22, 2001, appears to meet the requirements of the act.

If I can assist further let me know.

Sincerely,

Mark A. Hilpert
Director
Bureau of Local Government Services

Attachment
May 22, 2001

Mark A. Hilpert
Bureau of Local Government Services
Mich. Dept. of Treasury
4th Floor Treasury Bldg.
Lansing, Mich. 48922

Dear Mr. Hilpert,

I am submitting the following list of Sinking fund projects we plan to complete during the 2001-02 school year.

1. Parking Lot improvements at our Baseball/Softball Complex
2. Storm Drain – Ditch Improvements
3. New Fuel Tank for the Transportation Center
4. District Office repairs (porch, handicap ramp, gutters)
5. Develop new athletic practice area
6. Relocation of existing service building to Athletic Complex

Would you please forward your opinion regarding whether these expenditures comply with the restrictions in both Section 1212 of the School Code and the interpretations of the Department of Treasury.

Sincerely,

D. Michael Wescott, Asst. Superintendent
Frankenmuth School District
941 E. Genesee St.
Frankenmuth, Mi. 48734