

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration qualification or filing under the securities laws of any such jurisdiction. As of its date, this Preliminary Official Statement has been "deemed final" by the Township for purposes of SEC Rule 15c2-12(b)(1) except for the information permitted to be omitted from SEC Rule 15c2-12(b)(1).

NEW ISSUE

BOOK-ENTRY-ONLY

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Township, (i) the interest on the Bonds is excludable from gross income for federal income tax purposes, and (ii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "APPENDIX E - FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

RATING ⁽¹⁾: S&P Global Ratings "A+"
(See "RATING INFORMATION" herein)

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

\$7,845,000*

**TOWNSHIP OF SUMMIT
COUNTY OF JACKSON, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)**

OFFICIAL STATEMENT

The 2026 Capital Improvement Bonds (Limited Tax General Obligation) (the "Bonds"), are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), for the purpose of paying all or part of the cost of acquiring, constructing, furnishing and equipping improvements to the (1) water supply system of the Township, consisting generally of installing, replacing, extending and rehabilitating water mains, installing and improving pump stations and wellhouses, installing variable frequency drives, repainting and maintaining water towers, acquiring and installing emergency generators and (2) sanitary sewer system of the Township consisting generally of installing and improving lift stations; and paying capitalized interest on the Bonds, together with all the necessary interest in land and all necessary site, structures, equipment, appurtenances and attachments thereto (together, the "Project"), and paying the costs of the issuance of the Bonds.

The Bonds shall be limited tax general obligations of the Township. The full faith and credit of the Township has been pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Township shall be obligated, as a first budget obligation, to advance moneys from its general funds for payment thereof and if necessary to levy ad valorem taxes on all taxable property within its corporate boundaries. The ability of the Township to levy taxes to raise funds to pay such amounts shall be subject to applicable constitutional and statutory tax limitations.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, as described herein. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

Interest on the Bonds will be payable semi-annually on the first day of April and October of each year commencing April 1, 2027. Principal and interest will be paid by the Township to Argent Institutional Trust Company, Grand Rapids, Michigan, the paying agent for the Bonds or its successor which will in turn remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described in the Bonds and as referenced in certain proceedings of the Township referred to therein.

The record date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

The Bonds are subject to redemption prior to maturity in the manner and at the times set forth herein. See "REDEMPTION PROVISIONS" herein.

BIDS RECEIVED UNTIL: 11:00 A.M., E.T., JUNE 10, 2026

Bids will be received as indicated in the Official Notice of Sale provided in Appendix G of this Official Statement. Bids may also be submitted electronically via **PARITY** or email (info@bendzinski.com) pursuant to the Official Notice of Sale. To the extent any instructions or directions set forth in **PARITY** conflict with the Official Notice of Sale for the Bonds, the terms of the Official Notice of Sale shall control.

Award will be based on a calculation of the True Interest Cost on the Bonds.

MATURITY SCHEDULE*

Dated: Date of Delivery						Principal Due: April 1 of each year as shown below								
CUSIP ⁽²⁾	Year	Amount	Interest Rate	Reoffering Rate	CUSIP ⁽²⁾	Year	Amount	Interest Rate	Reoffering Rate	CUSIP ⁽²⁾	Year	Amount	Interest Rate	Reoffering Rate
	2027	\$175,000				2034	\$345,000				2041	\$465,000		
	2028	270,000				2035	360,000				2042	485,000		
	2029	280,000				2036	375,000				2043	510,000		
	2030	290,000				2037	395,000				2044	530,000		
	2031	305,000				2038	410,000				2045	550,000		
	2032	320,000				2039	430,000				2046	575,000		
	2033	330,000				2040	445,000							

The information regarding the reoffering rates was provided to the Township by the initial purchasers of the Bonds.

The Date of this Official Statement is _____, 2026.

⁽¹⁾ As of Date of Delivery.

*Preliminary subject to change.

⁽²⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Township, the Underwriter or its agents or counsel assume responsibility for the accuracy of such numbers.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED DECISION.)

The Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or registered in any state and will not be listed on any stock or other securities exchange. Neither the SEC nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale, except as disclosed herein.

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such offer or solicitation. The information set forth herein has been provided by the Township and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness.

All summaries contained in this Official Statement are subject in all respects to the complete statute, regulation, rule, court decision or report. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor the sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the Township since the date hereof.

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THE BONDS

\$7,845,000*
TOWNSHIP OF SUMMIT
COUNTY OF JACKSON, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

INFORMATION FOR BIDDERS

Date of Sale: June 10, 2026
 Time of Sale: 11:00 A.M Eastern Time
 Place of Sale: Info@bendzinski.com or Electronically via PARITY

Dated: Date of Delivery (Expected to be July 1, 2026) Maximum Interest Rate: 6%
 Principal Due: April 1, Annually Maximum Discount Allowed: 1.00%
 Denominations: \$5,000 or multiples thereof up to the amount of a single maturity Multiples: Any
 Registration: Book-Entry-Only Qualified Tax-Exempt Obligations: Yes

ADJUSTMENT TO MATURITY

The Township reserves the right to increase or decrease the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of \$5,000.

MATURITIES*

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$175,000	2034	\$345,000	2041	\$465,000
2028	270,000	2035	360,000	2042	485,000
2029	280,000	2036	375,000	2043	510,000
2030	290,000	2037	395,000	2044	530,000
2031	305,000	2038	410,000	2045	550,000
2032	320,000	2039	430,000	2046	575,000
2033	330,000	2040	445,000		

DESCRIPTION AND FORM OF THE BONDS

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of date of delivery and will bear interest from that date. Interest on the Bonds shall be payable on April 1, 2027 and semiannually each April 1 and October 1 thereafter prior to maturity or earlier redemption. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

Argent Institutional Trust Company, Grand Rapids, Michigan or its successor will serve as paying agent (the "Transfer Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds which are held in the book-entry-only system, see "*Book-Entry-Only System*" below. In the event the Bonds cease to be held in the book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. See "*Transfer Outside Book-Entry-Only System*" herein.

*Preliminary subject to change.

THE PROJECT

DESCRIPTION

The Bonds are being issued for the purpose of paying all or part of the cost of acquiring, constructing, furnishing and equipping improvements to the (1) water supply system of the Township, consisting generally of installing, replacing, extending and rehabilitating water mains, installing and improving pump stations and wellhouses, installing variable frequency drives, repainting and maintaining water towers, acquiring and installing emergency generators, and (2) sanitary sewer system of the Township consisting generally of installing and improving lift stations; and paying capitalized interest on the Bonds, together with all the necessary interest in land and all necessary site, structures, equipment, appurtenances and attachments thereto (together, the "Project"), and paying the cost of issuing the Bonds.

SOURCES AND USES OF BOND PROCEEDS

The estimated sources and uses are as follows:

Construction, Engineering, Equipment, and Contingencies	\$7,674,922
Bond Discount (1.00%)	78,450
Cost of Issuance	91,628
Total Project Cost	<u><u>\$7,845,000</u></u>

REDEMPTION PROVISIONS

TERM BONDS

Bidders shall have the option of designating bonds maturing in the years 2027 through 2046, inclusive, as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2027 through 2046, inclusive, represents a serial maturity or a mandatory redemption requirements for a term bond maturity. In any event, the above principal amount scheduled for the years 2027 through 2046, inclusive, shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

MANDATORY REDEMPTION

Bonds designated as term bonds (the "Term Bonds") shall be subject to mandatory sinking fund redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities set forth below. The Term Bonds or portions of the Term Bonds to be redeemed shall be selected by lot.

Term Bond Maturing	Year	Principal Amount	Term Bond Maturing	Year	Principal Amount
April 1, 20__	20__	\$_____	April 1, 20__	20__	\$_____
	20__	_____		20__	_____
	20__	_____		20__	_____
	20__	_____		20__	_____

OPTIONAL REDEMPTION

Bonds maturing in the years 2027 to 2035, inclusive, shall not be subject to optional redemption prior to maturity.

Bonds or portions thereof in multiples of \$5,000, maturing in the years 2036 through final maturity, inclusive, shall be subject to redemption prior to maturity, at the option of the Township, in any order of maturity and within any maturity by lot, on any date on or after April 1, 2035, at par and accrued interest to the date fixed for redemption.

NOTICE AND EFFECT OF REDEMPTION

If any Bonds are called for redemption, the Transfer Agent, on behalf of the Township, shall give notice of such redemption at least 30 days prior to the date fixed for redemption. As described herein under "Book-Entry-Only System", as long as the Bonds are registered in the name of DTC or its nominee, redemption notices will be given to DTC only. Conveyance of notices by DTC to DTC Participants and Indirect Participants and, in turn, by the DTC Participants and Indirect Participants to Beneficial Owners (as defined in "Book-Entry-Only System") will be governed by arrangements among them. No further interest on Bonds called for redemption shall accrue after the date fixed for redemption, whether the Bonds are presented for redemption or not, provided the Township has money available for such redemption.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the Township or the Transfer Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Township or the Transfer Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Township nor the Transfer Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Transfer Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Transfer Agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Township or the Transfer Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Township or the Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM

In the event the Book-Entry-Only System is discontinued, the following provisions would apply to the Bonds. The Transfer Agent shall keep the registration books for the Bonds (the "Bond Register") at its designated corporate trust office. Subject to the further conditions contained in the Resolution (hereinafter defined), the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the principal corporate trust office of the Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Transfer Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations, the Township and the Transfer Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

AUTHORITY

The Bonds are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") and a resolution adopted by the Township Board of the Township on May 12, 2026 (the "Resolution").

MUNICIPAL FINANCE QUALIFYING STATEMENT

The Township has filed a Qualifying Statement for the fiscal year ended March 31, 2025. The Michigan Department of Treasury has determined that the Township is in material compliance with the criteria identified in Section 303(3) of Act 34. The Township may therefore issue the Bonds without further approval of the Michigan Department of Treasury.

SECURITY

The Bonds will be limited tax general obligations of the Township payable from ad valorem taxes levied on all taxable property in the Township or from any other funds of the Township legally available therefor. The full faith and credit of the Township have been pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Township is obligated to include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the Township to raise funds to pay such amounts is subject to applicable constitutional, and statutory, limitations on the taxing power of the Township.

The rights and remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, except that such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years beginning prior to January 1, 2018. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Township contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The Township has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinions assume the accuracy of the Township's certifications and representations and the continuing compliance with the Township's covenants. Noncompliance with these covenants by the Township may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The Federal income tax opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, corporations (as defined in Section 59(k) of the Code) subject to the alternative minimum tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

TAX TREATMENT OF ACCRUALS ON ORIGINAL ISSUE DISCOUNT BONDS

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

AMORTIZABLE BOND PREMIUM

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

MARKET DISCOUNT

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

FUTURE DEVELOPMENTS

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, bond counsel is not obligated to defend the Township in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinions of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. The opinion of Bond Counsel will be substantially in the form as set forth in Appendix E.

ISSUE PRICE

The winning bidder shall assist the Township in establishing the issue price of the Bonds, in accordance with the requirements set forth in the Notice of Sale attached in Appendix G hereto, and shall deliver to the Township at closing an "issue price" or similar certificate setting forth the reasonably expected issue price to the public or the sales prices of the bonds, substantially in the form attached as either Appendix H-1 or H-2 of the preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Township and Bond Counsel.

BOND COUNSEL'S RESPONSIBILITY

The fees of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel") for services rendered in connection with its approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and the exemption of the Bonds and the interest thereon from taxation, and as hereafter stated, Bond Counsel has not been retained to examine or review, and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has not been retained to review this Official Statement for accuracy or completeness, and has not made inquiry of any official or employee of the Township or any other person regarding, and has made no independent verification of, such other portions hereof, and further has not expressed and will not express an opinion as to any portions hereof.

REGISTERED MUNICIPAL ADVISOR TO THE TOWNSHIP

Bendzinski & Co., Municipal Finance Advisors, Grosse Pointe, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the Township to provide certain financial advisory services including, among other things, preparation of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statements was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in the Official Statements, which it assisted in preparing, while it may be summarized (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the Township and it has no secondary obligation or other responsibility. The Municipal Advisor's fees are expected to be paid from Bond proceeds.

RATING INFORMATION

S&P Global Ratings has assigned its municipal bond rating as stated on the front cover of this Official Statement, to this issue of Bonds.

The assigned rating reflects the independent judgment of the rating agency and there is no assurance that said rating will continue for any period of time or that it will not be revised or withdrawn by the rating agency. A revision or withdrawal of said rating may have an effect on the market price of the securities. The rating agency's fee is expected to be paid from bond proceeds.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the Township will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners (as defined in the Undertaking) of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access System, pursuant to the requirements of section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, are set forth in Appendix F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to this Official Statement.

A failure by the Township to comply with the Undertaking will not constitute an event of default under the Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking.

A failure by the Township to comply with the Undertaking must be reported by the Township in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Township has not failed to comply in all material respects, in the past five years with any previous undertakings pursuant to the Rule.

PRINTING AND DELIVERY

The Township will furnish the Bonds at its expense for delivery to the purchaser to DTC at New York, New York or an authorized agent of DTC. Delivery of the Bonds shall be within 45 days from the date of sale of the Bonds. Payment for the Bonds shall be made in immediately available Federal Reserve Funds.

ABSENCE OF LITIGATION

According to Township officials, there is no litigation to their knowledge, pending or threatened, in any court (either state or federal) which seeks to restrain or enjoin the issuance or delivery of the Bonds, or which questions (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the legal existence of the Township or the title to the office of the present officials of the Township, or (iv) the ability of the Township to operate or any other matter which may materially affect the financial condition of the Township.

OTHER MATTERS

The Township certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the Township and its economic and financial condition, is true and correct as of its date, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading. All information contained in this Official Statement, other than that provided by the Township, is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The date of the Preliminary Official Statement is June 1, 2026. The information contained herein is subject to revision, amendment and completion. As of that date, the Preliminary Official Statement was deemed "final" by the Township for purposes of paragraph (b)(1) of the Rule.

This Official Statement has been duly approved, executed and delivered by the Township on the date as set forth on the front cover of this Official Statement.

TOWNSHIP OF SUMMIT

By: /s/

DAVID HEINS, TREASURER

**TOWNSHIP OF SUMMIT
GENERAL DESCRIPTION AND
STATISTICAL INFORMATION**

TOWNSHIP OF SUMMIT
LOCATION AND DESCRIPTION

The Township of Summit (the "Township") encompasses approximately 29.9 square miles in the south central portion of Jackson County. The Township is bordered on the north by the City of Jackson, to the south by Horton Township, to the east by Napoleon Township and to the west by Spring Harbor Township.

FORM OF GOVERNMENT

The Township is governed by a Board of Trustees which is composed of seven members who are elected for four year terms. The Board is composed of a Supervisor, a Clerk, a Treasurer and four Trustees. The Supervisor is the chief executive and administrative officer of the Township. The Board is vested with all legislative powers except those otherwise provided by law.

POPULATION

2020 U.S. Census	22,920
2010 U.S. Census	22,508
2000 U.S. Census	21,534

FISCAL YEAR

April 1 to March 31

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

On March 15, 1994, the electors of the State of Michigan also voted to amend the State Constitution to increase the state sales tax from 4% to 6% and to place a yearly cap on property value assessment increases. The State now levies a property tax to finance education, and a higher real estate transfer tax is imposed on the sale of real property.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The Township has no tax appeals pending before the Tax Tribunal (including personal property appeals), none of which are expected to have a significant impact on the Township's State Equalized Valuation, Taxable Value or the resulting taxes.

INDUSTRIAL FACILITIES TAX

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198") provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

The Township does not have any IFT exemption certificates currently outstanding.

HISTORY OF PROPERTY VALUATIONS ⁽¹⁾

<u>Year</u>	<u>STATE EQUALIZED VALUATION</u>	<u>TAXABLE VALUES</u>
2025	1,155,292,725	903,384,959
2024	1,092,729,789	857,610,322
2023	985,209,696	796,868,447
2022	910,901,139	743,471,776
2021	850,023,071	702,810,696
2020	805,141,200	679,811,005
2019	756,541,900	657,240,988
2018	709,283,600	629,805,631
2017	691,707,100	610,180,958
2016	667,861,600	594,718,257

Source: Jackson County Equalization Department.

MICHIGAN PROPERTY TAX REFORM

The enactment of Michigan Public Acts 153 and 154 of 2013, together with subsequent enactment of Michigan Public Acts 80 and 86 through 93 of 2014, significantly reformed personal property tax in Michigan. The voters of the State approved a referendum on August 4, 2014, to which all of these acts were tied, and therefore these acts will continue in effect. Under these acts, owners of industrial and commercial personal property with a total true cash value of \$180,000 or less are able to annually file an affidavit claiming a personal property tax exemption. To be eligible for the exemption, all of the commercial or industrial personal property within a city or township that is owned by, leased to, or controlled by the claimant has to have accumulated true cash value of \$180,000 or less. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is at least 10 years old have been able to claim an exemption from personal property tax by filing an affidavit claiming the exemption. By 2022, all eligible manufacturing personal property was at least 10 years old or purchased after December 31, 2012, so that it could be exempted from personal property tax.

To replace revenues lost by local governments, due to these exemptions, a portion of the current State use tax is set aside as a “local community stabilization share” that will not be subject to the annual appropriations process and is automatically provided to a “local community stabilization authority” for distribution pursuant to a statutory formula anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The Township received \$37,940.45 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended March 31, 2026.

The ultimate nature, extent and impact of any other future amendments to Michigan’s property tax laws on the Township’s finances cannot be predicted. Purchasers of the Bonds should consult with their legal counsel and financial advisors as to the consequences of any such legislation on the market price or marketability of the Bonds, the security therefor and the operations of the Township.

An analysis of **State Equalized Value** is as follows:

	BY CLASS		
	2025	2024	2023
Real Property	1,119,887,625	1,058,889,089	952,574,096
Personal Property	35,405,100	33,840,700	32,635,600
TOTAL	1,155,292,725	1,092,729,789	985,209,696

	BY USE		
	2025	2024	2023
Residential	1,011,708,525	955,301,189	853,554,996
Commercial	88,009,500	84,591,900	80,889,300
Industrial	15,142,300	14,378,500	13,598,200
Agricultural	5,027,300	4,617,500	4,531,600
Personal Property	35,405,100	33,840,700	32,635,600
TOTAL	1,155,292,725	1,092,729,789	985,209,696

An analysis of **Taxable Value** is as follows:

	BY CLASS		
	2025	2024	2023
Real Property	867,979,859	823,769,622	764,232,847
Personal Property	35,405,100	33,840,700	32,635,600
TOTAL	903,384,959	857,610,322	796,868,447

	BY USE		
	2025	2024	2023
Residential	771,997,800	731,849,759	676,003,031
Commercial	79,286,112	76,342,281	73,414,016
Industrial	14,014,590	13,217,403	12,682,982
Agricultural	2,681,357	2,360,179	2,132,818
Personal Property	35,405,100	33,840,700	32,635,600
TOTAL	903,384,959	857,610,322	796,868,447

Source: Jackson County Equalization Department

MAJOR TAXPAYERS

According to Township officials, the tentative 2025 State Equalized Valuation and Taxable Value of each of the Township's major taxpayers is as follows:

Name of Taxpayer	2025 State Equalized Value	2025 Taxable Value
Consumers Energy Co.	23,796,100	23,679,937
Countryside Living, LLC	7,498,000	7,498,000
Autumn Woods (M-O) owner LLC	4,425,400	4,140,186
MP Jackson Property Holdings LLC	3,069,200	3,069,200
Cascade Ridge Apartments	3,067,800	2,960,413
Judith LLC	2,453,700	2,233,906
Crown Real Estate Holdings LLC	1,935,900	1,930,443
Misa Soecialty Processing	2,099,200	1,806,667
Country Club of Jackson	2,349,700	1,946,035
Jackson Real Estate Company LLC	1,711,400	1,711,400

Source: Township of Summit

TAX RATES *(

(Per \$1,000 of Taxable Value)

	2025		2024		2023	
	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
Township of Summit						
Operating	0.7726	0.7726	0.7816	0.7816	0.7853	0.7853
Police & Fire ⁽¹⁾	0.9623	0.9623	0.9735	0.9735	0.9780	0.9780
Roads ⁽²⁾	2.0390	2.0390	2.0890	2.0890	2.1927	2.1927
County of Jackson	7.1054	7.1054	7.1479	7.1479	7.1479	7.1479
Jackson County Library	1.7308	1.7308	1.7508	1.7508	1.7508	1.7508
Vandercook Lake School District						
Local	0.0000	18.0000	0.0000	18.0000	0.0000	18.0000
Debt	3.0000	3.0000	3.0000	3.0000	3.2000	3.2000
Sinking Fund	2.8131	2.8131	2.8624	2.8624	2.8829	2.8829
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Jackson Intermediate School District	8.6614	8.6614	8.7078	8.7078	8.7078	8.7078
Jackson County Community College	1.1260	1.1260	1.1327	1.1327	1.1327	1.1327
Total All Jurisdictions	34.2106	52.2106	34.4457	52.4457	34.7781	52.7781

* Principal residence includes qualified agricultural property, qualified forest property and industrial personal property, which is excluded from taxes levied for school operating purposes. Moreover, commercial personal property is exempt from a portion of taxes levied for school operating purposes. Non Principal Residence is property not included in the above definition. Non Principal Residence (formerly known as Non-Homestead) is property not included in the above definition.

⁽¹⁾ Expiration 12/31/2026

⁽²⁾ Expiration 12/31/2033

Source: Township of Summit

TAX RATE LIMITATIONS

The County of Jackson Tax Allocation Board meets annually to fix millage rates pursuant to Section 6 of the 1963 Michigan Constitution. The fixed rate for townships is as follows:

<u>Purpose</u>	<u>Maximum Millage Authorized</u>	<u>Maximum⁽¹⁾ Millage to be Levied</u>	<u>Expiration Date of Millage</u>
General Operating	\$1.0000	\$0.7726	In perpetuity

⁽¹⁾ See Constitutional Millage Roll-Back, below.

The Township may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

<u>Purpose</u>	<u>Authority</u>	<u>Rate (per \$1,000 Taxable Valuation)</u>
Police & Fire Pension Requirements	Act 345, P.A. of Michigan 1937, as amended	Amount Required to Make Contribution

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with State law.

Source: Township of Summit

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31, of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Factor unless an increase is approved by a majority of the qualified electors of the local taxing unit voting thereon.

TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Tax Levy</u>	<u>Collections to March 1 of Following Year</u>	
2025	\$689,145	\$648,525	94.11%
2024	663,111	628,081	94.72%
2023	574,374	528,952	92.09%
2022	582,972	554,278	95.08%
2021	501,580	455,485	90.81%
2020	504,015	464,140	92.09%
2019	526,369	496,521	94.33%
2018	509,626	477,830	93.76%
2017	494,299	462,979	93.66%
2016	484,036	455,646	94.13%

Source: Treasurer, Township of Summit

The Township's taxes are due and payable and a lien created upon the assessed property on July 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection.

The delinquent real property taxes are subject to additional penalties and interest by the county. Unless, the delinquent real property taxes are paid within approximately 25 months from the date of delinquency the underlying property is foreclosed upon and sold at public auction.

Jackson County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. Said fund pays all local units, school districts, villages, townships and the County general fund for the full amount of taxes levied against real property. If feasible, it is anticipated that the County will continue to reimburse the Township for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years. Uncollected personal property taxes must be collected by the Local Treasurer and are negligible.

Source: Treasurer, Township of Summit

REVENUES FROM THE STATE OF MICHIGAN

The Township receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the Township can vary depending on the population of the Township and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature’s appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On October 7, 2025, Governor Whitmer signed into law the budget for fiscal year 2026. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately \$1.010 billion. An additional \$333.5 million has been appropriated for revenue sharing distributions, of which \$299.1 million will be distributed pursuant to the State Revenue Sharing Act and \$34.4 million will be distributed in 1/3 increments to cities, villages, and townships: (i) according to a statutory formula based on the per capita taxable valuation of each city, village, or township in proportion to the State-wide per capita taxable valuation; (ii) to each unit type according to its population; and (iii) pursuant to a formula that provides a yield equalization payment to each unit that is sufficient to provide the guaranteed tax base for a local tax effort, not to exceed 0.02.

The Township anticipates receiving \$144,847 in total statutory revenue sharing for fiscal year 2026.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the Township’s general fund condition, and to the potential impact upon the market price or marketability of the Bonds resulting from changes in revenues received by the Township from the State.

The following table sets forth the annual revenue sharing payments and other moneys received by the Township during the State of Michigan fiscal years ended September 30, 2022 through September 30, 2026.

State of Michigan Fiscal Year Ending September 30	Constitutional Payments	Statutory/ EVIP/CVTRS Payments	Total
2026	\$2,441,370	\$144,847	\$2,586,217 *
2025	2,471,849	144,102	2,615,951
2024	2,512,956	91,198	2,604,154
2023	2,467,945	86,044	2,553,989
2022	2,430,817	81,174	2,511,991

* Estimate

Source: State of Michigan Treasury Website - <https://treas-secure.state.mi.us/apps/findrevshareinfo.asp>

LABOR AGREEMENTS

The Township has one (1) employee bargaining unit which has negotiated comprehensive salary, wage, fringe benefit and working conditions contract with the Township. The duration of this agreement is as follows:

<u>Employee Group</u>	<u>Number of Employees</u>	<u>Expiration Date of Contract</u>
IAFF	19	3/31/2029

Source: Township of Summit

RETIREMENT PLAN

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information.

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 12.17% to 25.21% based on annual payroll for open divisions

The employer's Net Pension Liability was measured as of December 31, 2025, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total pension liability			
Service cost	\$376,806	\$370,046	\$339,360
Interest	1,576,956	1,523,664	1,390,538
Changes in assumptions	(10,560)	178,906	61,618
Changes in benefits	(4,557)	(6,501)	0
Differences between expected and actual experience	216,079	265,089	(7,654)
Benefit payments including employee refunds	(1,103,755)	(1,026,498)	(969,874)
Other changes	-	(21,789)	49,662
Net change in total pension liability	1,050,969	1,282,917	863,650
Total pension liability, beginning of year	<u>22,326,654</u>	<u>21,043,737</u>	<u>20,180,087</u>
Total pension liability, ending of year	<u>\$23,377,623</u>	<u>\$22,326,654</u>	<u>\$21,043,737</u>
 Plan Fiduciary Net Position			
Contributions Employer	\$984,176	\$917,128	\$870,181
Contributions Member	175,511	159,559	143,885
Net Investment income	1,006,095	1,351,291	(1,393,393)
Benefit payments including employee refunds	(1,103,755)	(1,026,498)	(969,874)
Administrative & Other	(30,068)	(28,644)	(24,966)
Net change in plan fiduciary net position	1,031,959	1,372,836	(1,374,167)
Plan fiduciary net position, beginning of year	<u>13,423,749</u>	<u>12,050,913</u>	<u>13,425,081</u>
Plan fiduciary net position, ending of year	<u>\$14,455,708</u>	<u>\$13,423,749</u>	<u>\$12,050,914</u>
 Township's Net Pension Liability - Ending	<u>\$8,921,915</u>	<u>\$8,902,905</u>	<u>\$8,992,823</u>
 Plan fiduciary net position as a percentage of the total pension liability	61.84%	60.12%	57.27%
Covered employee payroll	\$2,591,957	\$2,591,957	\$2,272,502
Employer's net pension liability as a percentage of covered employee payroll	344.2%	343.5%	395.7%

Schedule of Contribution is as followed:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$984,176	\$917,128	\$870,181	\$786,382	\$745,377
Contributions in relation to the actuarially determined contribution	<u>984,176</u>	<u>917,128</u>	<u>870,181</u>	<u>786,382</u>	<u>745,377</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$2,599,228	\$2,591,957	\$2,272,502	\$2,261,934	\$2,245,604
Contributions as a % of Covered Employee Payroll	37.86%	35.38%	38.29%	34.77%	33.19%

OTHER POST-EMPLOYMENT BENEFITS

The Township provides medical and pharmacy benefits for eligible retirees and their spouses hired prior to April 1, 2018. Retirees are offered payment in lieu of healthcare benefits equal to \$250 per month should they choose to opt-out of the Employer's retiree healthcare plans.

For the year ended March 31, 2025, Summit Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2025. The valuation computes an annual required contribution (ARC), which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortized any unfunded actuarial liabilities over a period not to exceed thirty years.

	2025	2024	2023
TOTAL OPEB LIABILITY			
Service cost	\$81,378	\$79,008	\$93,900
Interest	409,197	393,239	374,414
Difference between expected and actual experience	(37,924)	(11,161)	(214,203)
Benefit payments and refunds	(254,270)	(216,669)	(190,643)
Changes in assumptions and other inputs	915,177	-	87,261
Benefit payments and refunds	-	-	(19,334)
Net change in total OPEB liability	1,113,558	244,417	131,395
Total OPEB liability - beginning of year	5,891,430	5,647,013	5,515,618
Total OPEB liability - end of year	7,004,988	5,891,430	5,647,013
PLAN FIDUCIARY NET POSITION			
Employer contributions	260,131	263,078	218,690
Net investment income	235,206	431,644	(111,195)
Benefit payments	(254,270)	(216,669)	(190,643)
Administrative expenses	(9,586)	(8,400)	(6,834)
Net change in plan fiduciary net position	231,481	469,653	(89,982)
Plan fiduciary net position - beginning of year	4,498,583	4,028,930	4,118,912
Plan fiduciary net position - end of year	4,730,064	4,498,583	4,028,930
Township's Net OPEB Liability	\$2,274,924	\$1,392,847	\$1,618,083
Plan Fiduciary Net Position as a Percentage of the			
Total OPEB liability	67.52%	76.36%	71.35%
Covered Employee Payroll	\$1,025,596	\$1,418,855	\$1,308,912
Net OPEB Liability as a Percentage of Covered Payroll	221.81%	98.17%	123.62%

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$260,131	\$263,078	\$218,690	\$220,988	\$351,499
Contributions in relation to the actuarially determined contribution	260,131	263,078	218,690	220,988	351,499
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$1,025,596	\$1,418,855	\$1,308,912	\$1,577,576	\$1,534,950
Contributions as a % of Covered Employee Payroll	25.4%	18.5%	16.7%	14.0%	22.9%

GENERAL FUND-FUND BALANCE

The Township's General Fund fund balance for the last five years has been as follows:

Fiscal Year Ended March 31	Fund Balance
2025	\$4,834,624
2024	4,603,789
2023	4,886,377
2022	4,162,681
2021	3,940,655

Source: Township of Summit audited financial statements.

DEBT STATEMENT*

(As of July 1, 2026, including the Bonds described herein)

DIRECT DEBT:

Revenue Bonds	06/28/2007	MMBA Water	<u>259,000</u>	\$ 259,000
General Obligation	04/19/2018	Unlimited Tax General Obligation Bonds, Series 2018		13,135,000
	12/09/2020	Capital Improvement Water Supply System		630,000
	DATE OF DELIVERY	2026 Capital Improvement Bonds		<u>7,845,000</u>
NET DIRECT DEBT				<u><u>\$21,869,000</u></u>

OVERLAPPING DEBT:

0.36% East Jackson S/D			\$ 34,639,243	\$ 124,701
2.08% Hanover-Horton S/D			4,013,000	83,470
42.95% City of Jackson S/D			106,090,000	45,565,655
100.00% Vandercook Lake S/D			2,235,000	2,235,000
0.96% Western S/D			64,248,465	616,785
13.79% Jackson @ Large			83,455,000	11,508,445
13.67% Jackson ISD			5,325,000	727,928
13.79% Jackson Community College			24,220,000	3,339,938
TOTAL OVERLAPPING DEBT				<u>\$ 64,201,922</u>
NET DIRECT AND OVERLAPPING DEBT				<u><u>\$ 86,070,922</u></u>

DEBT RATIOS:

Per Capita 2025 State Equalized Valuation	\$ 50,405
Per Capita 2025 True Cash Value	\$ 100,811
Per Capita Net Direct Debt	\$ 954
Per Capita Combined Net Direct and Overlapping Debt	\$ 3,755
Percent of Net Direct Debt of 2025 State Equalized Valuation	1.89%
Percent of Net Direct and Overlapping Debt of 2025 State Equalized Valuation	7.45%
Percent of Net Direct Debt of 2025 True Cash Value	0.95%
Percent of Net Direct and Overlapping Debt of 2025 True Cash Value	3.73%

Source: Municipal Advisory Council of Michigan

*Preliminary Subject to Change

SCHEDULE OF BOND MATURITIES*

(As of July 1, 2026, including the Bonds described herein)

<u>Year</u>	<u>Revenue Bonds</u>	<u>General Obligation</u>
2027	\$ 130,000	\$ 1,635,000
2028	129,000	1,865,000
2029	-	2,010,000
2030	-	2,170,000
2031	-	2,165,000
2032	-	2,325,000
2033	-	2,500,000
2034	-	170,000
2035	-	180,000
2036	-	190,000
2037	-	195,000
2038	-	205,000
2039	-	215,000
2040	-	225,000
2041	-	240,000
2042	-	250,000
2043	-	260,000
2044	-	275,000
2045	-	290,000
2046	-	300,000
2047	-	315,000
2048	-	330,000
2049	-	350,000
2050	-	365,000
2051	-	380,000
2052	-	400,000
2053	-	420,000
2054	-	440,000
2055	-	460,000
2056	-	485,000
	<u>\$ 259,000</u>	<u>\$ 21,610,000</u>

DEBT HISTORY: There is no record of default.

FUTURE BONDING: The Township of Summit does anticipate the issuance of additional bonds or notes within the next six months.

*Preliminary Subject to Change

CAPITAL IMPROVEMENT BONDS STATEMENT OF LEGAL DEBT MARGIN *

(As of July 1, 2026, including the Bonds described herein)

2025 State Equalized Valuation		<u>\$ 1,155,292,725</u>
Debt Limit (5% of State Equalized Valuation) (1), (2)		\$ 57,764,636
Less Outstanding Capital Improvement Bonds		
2026 Capital Improvement Bonds	7,845,000	
Capital Improvement Water Supply System	630,000	<u>8,475,000</u>
LEGAL DEBT MARGIN		<u><u>\$ 49,289,636</u></u>

(1) Section 517 of Act 34, Public Acts of Michigan, 2001, as amended, provides that a county, city, village, or township may by resolution of its governing body, and without vote of its electors, issue a municipal security to pay the cost of any capital improvement items, provided that the amount of taxes necessary to pay the principal and interest on that municipal security, together with the taxes levied for the same year, shall not exceed the limit authorized by law. Bonds issued under Section 517 by a county, city, village or township shall not exceed 5% of the state equalized valuation of the property assess in that county, city, village or township.

(2) Bonds issued under Section 517 also count towards the Township's overall debt limit as set forth under "STATEMENT OF LEGAL DEBT MARGIN" above.

*Preliminary subject to change

LABOR CHARACTERISTICS

The U.S. Census 2024 American Community Survey 5 – Year Estimates lists the labor force characteristics for the Township, for employed persons 16 years and over, as follows:

<u>By Occupation</u>	<u>Number of Employees</u>
Management, business, science and, arts occupations	4,088
Service occupations	1,412
Sales and office occupations	2,345
Natural resources, construction, and maintenance occupations	671
Production, transportation, and material moving occupations	<u>1,369</u>
Total	<u><u>9,885</u></u>

<u>By Industry</u>	<u>Number of Employees</u>
Agriculture, forestry, fishing and hunting and mining	41
Construction	442
Manufacturing	1,755
Wholesale trade	240
Retail trade	1,011
Transportation and warehousing, and utilities	665
Information	100
Finance, insurance, real estate, and rental and leasing	476
Professional, scientific, management, administrative, and waste management services	693
Educational services, and health care and social assistance	2,881
Arts, entertainment, recreation, accomodation and food services	679
Other services (except professional administration)	393
Public administration	<u>509</u>
Total	<u><u>9,885</u></u>

UNEMPLOYMENT DATA

According to the Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information, the unemployment statistics for the County of Jackson and State of Michigan during the last three calendar years and the most recent for the current year, are as follows:

STATE OF MICHIGAN				
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
January	5.6%	5.7%	4.2%	4.5%
February	5.3%	5.7%	4.4%	4.4%
March	5.1%	5.7%	4.3%	4.0%
April	-	5.5%	3.9%	3.1%
May	-	4.7%	4.4%	3.8%
June	-	5.1%	5.1%	4.1%
July	-	5.2%	5.8%	4.4%
August	-	5.7%	4.9%	4.1%
September	-	4.9%	4.6%	3.8%
October	-	4.6%	4.8%	3.8%
November	-	4.8%	4.8%	3.4%
December	-	4.8%	5.0%	3.6%
Annual Average	5.3%	5.2%	4.7%	3.9%

COUNTY OF JACKSON				
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
January	5.7%	5.8%	4.3%	4.7%
February	5.1%	6.0%	4.7%	4.8%
March	-	5.7%	4.4%	4.4%
April	-	5.0%	4.1%	3.5%
May	-	5.3%	4.5%	4.2%
June	-	5.6%	5.3%	4.4%
July	-	5.9%	5.9%	4.6%
August	-	5.4%	5.3%	4.4%
September	-	4.6%	4.7%	3.9%
October	-	-	4.8%	3.8%
November	-	4.7%	4.7%	3.3%
December	-	4.9%	5.3%	3.8%
Annual Average	5.4%	5.4%	4.8%	4.2%

INCOME CHARACTERISTICS

There were 9,710 households in the Township, according to the U.S. Census 2020-2024 5-year ACS, which had a median household income of \$65,987. A breakdown of the income for the Township's households is as follows:

<u>Income of Household</u>	<u>Number of Households</u>
Less than \$10,000	335
\$10,000 to \$14,999	262
\$15,000 to \$24,999	417
\$25,000 to \$34,999	898
\$35,000 to \$49,999	1,595
\$50,000 to \$74,999	2,066
\$75,000 to \$99,999	1,212
\$100,000 to \$149,999	1,575
\$150,000 or more	1,350

The per capita income for the Township according to the U.S. Census 2020-2024 American Community Survey 5 – Year Estimates was \$39,355.

**TOWNSHIP OF SUMMIT
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR ENDING MARCH 31, 2027**

**SUMMIT TOWNSHIP
GENERAL FUND BUDGET**

	ORIGINAL BUDGET MARCH 31, 2026	AMENDED BUDGET 4/1/25 THRU 3/31/26	PRELIMINARY BUDGET 4/1/26 THRU 3/31/27
REVENUES:			
STATE	\$ 2,639,200	\$ 2,639,000	\$ 2,509,000
LOCAL	2,793,000	2,727,900	2,518,500
OTHER	353,200	295,400	283,200
Total Revenues	5,785,400	5,662,300	5,310,700
EXPENDITURES:			
LEGISLATIVE:			
TOWNSHIP BOARD	133,300	126,300	129,500
GENERAL GOVERNMENT:			
TOWNSHIP SUPERVISOR	55,600	57,200	51,400
ELECTIONS	90,000	38,000	106,500
ASSESSING	295,800	274,700	287,000
TOWNSHIP CLERK	458,300	428,900	374,800
TOWNSHIP TREASURER	275,900	283,900	190,100
TOWNSHIP HALL AND GROUNDS	186,400	212,300	186,300
PUBLIC SAFETY:			
POLICE DEPARTMENT	660,200	660,600	681,600
FIRE DEPARTMENT	3,207,000	3,206,600	3,562,300
OTHER FUNCTIONS	660,000	518,200	484,500
CAPITAL OUTLAY	-	-	-
TOTAL	6,022,500	5,806,700	6,054,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(237,100)	(144,400)	(743,300)

SUMMIT TOWNSHIP
STREET LIGHTS FUND BUDGET
APRIL 1, 2025 THRU MARCH 31, 2026

	ORIGINAL BUDGET MARCH 31, 2025	AMENDED BUDGET MARCH 31, 2025	PRELIMINARY BUDGET MARCH 31, 2026
REVENUES:			
TAXES AND PENALTIES	\$ 224,200	\$ 224,200	\$ 234,200
INTEREST AND RENTALS	4,500	4,200	4,500
OTHER	0	0	0
Total Revenues	<u>228,700</u>	<u>228,400</u>	<u>238,700</u>
EXPENDITURES:			
PUBLIC WORKS	240,000	229,097	240,000
OTHER FUNCTIONS	100	0	100
CAPITAL OUTLAY			
Total Expenditures	<u>240,100</u>	<u>229,097</u>	<u>240,100</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,400)</u>	<u>(697)</u>	<u>(1,400)</u>
OTHER FINANCING SOURCES (USES):			
OPERATING TRANSFERS IN	0	0	0
OPERATING TRANSFERS OUT	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(11,400)</u>	<u>(697)</u>	<u>(1,400)</u>

SUMMIT TOWNSHIP
EQUIPMENT FUND BUDGET
 APRIL 1, 2025 THRU MARCH 31, 2026

	ORIGINAL BUDGET MARCH 31, 2025	AMENDED BUDGET MARCH 31, 2025	PRELIMINARY BUDGET MARCH 31, 2026
REVENUES:			
INTEREST AND RENTALS	\$ 32,500	\$ 27,000	\$ 27,000
OTHER	-	-	-
Total Revenues	<u>32,500</u>	<u>27,000</u>	<u>27,000</u>
EXPENDITURES:			
OTHER FUNCTIONS	-	-	-
CAPITAL OUTLAY	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>32,500</u>	<u>27,000</u>	<u>27,000</u>
OTHER FINANCING SOURCES (USES):			
OPERATING TRANSFERS IN	-	-	-
OPERATING TRANSFERS OUT	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u><u>32,500</u></u>	<u><u>27,000</u></u>	<u><u>27,000</u></u>

SUMMIT TOWNSHIP
BUILDING CODE FUND
 APRIL 1, 2025 THRU MARCH 31, 2026

	ORIGINAL BUDGET MARCH 2025	AMENDED BUDGET MARCH 2025	PRELIMINARY BUDGET MARCH 31, 2026
REVENUES:			
PERMITS	\$ 244,400	\$ 246,320	\$ 261,000
Total Revenues	<u>244,400</u>	<u>246,320</u>	<u>261,000</u>
EXPENDITURES:			
BUILDING DEPT	237,000	256,978	265,607
Total Expenditures	<u>237,000</u>	<u>256,978</u>	<u>265,607</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,400</u>	<u>(10,658)</u>	<u>(4,607)</u>
OTHER FINANCING SOURCES (USES):			
OPERATING TRANSFERS IN			
OPERATING TRANSFERS OUT		-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>7,400</u>	<u>(10,658)</u>	<u>(4,607)</u>

SUMMIT TOWNSHIP
PUBLIC IMPROVEMENT FUND BUDGET
APRIL 1, 2025 THRU MARCH 31, 2026

	ORIGINAL BUDGET MARCH 31, 2026	AMENDED BUDGET MARCH 31, 2025	PRELIMINARY BUDGET MARCH 31, 2026
REVENUES:			
INTEREST AND RENTALS	\$ 85,000	\$ 54,100	\$ 55,000
OTHER	37,800	16,500	16,000
Total Revenues	<u>122,800</u>	<u>70,600</u>	<u>71,000</u>
EXPENDITURES:			
PUBLIC WORKS	-	-	-
OTHER FUNCTIONS	-	-	-
CAPITAL OUTLAY	-	-	1,600,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,600,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>122,800</u>	<u>70,600</u>	<u>(1,529,000)</u>
OTHER FINANCING SOURCES (USES):			
OPERATING TRANSFERS IN	-	-	-
OPERATING TRANSFERS OUT	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>122,800</u>	<u>70,600</u>	<u>(1,529,000)</u>

SUMMIT TOWNSHIP
WATER ENTERPRISE FUND BUDGET WORKSHEET
2026 AND 2027

	<u>AMENDED BUDGET- 4/1/2025 THRU 3/31/2026</u>			<u>PRELIMINARY BUDGET- 4/1/2026 THRU 3/31/2027</u>		
	WATER	SEWER	TOTAL	WATER	SEWER	TOTAL
REVENUES:						
CHARGES FOR SERVICES	2,311,900	\$3,623,100	\$5,935,000	\$2,469,300	\$3,592,000	\$6,061,300
OTHER REVENUES	148,200	308,900	457,100	139,400	278,200	417,600
Total Revenues	<u>2,460,100</u>	<u>3,932,000</u>	<u>6,392,100</u>	<u>2,608,700</u>	<u>3,870,200</u>	<u>6,478,900</u>
EXPENSES:						
ADMINISTRATION	1,173,500	981,200	2,154,700	1,300,700	1,078,900	2,379,600
PUMPING AND DISTRIBUTION	1,168,400	2,533,400	3,701,800	1,275,000	2,550,400	3,825,400
Total Operating Expenses	<u>2,341,900</u>	<u>3,514,600</u>	<u>5,856,500</u>	<u>2,575,700</u>	<u>3,629,300</u>	<u>6,205,000</u>
OPERATING INCOME	118,200	417,400	535,600	33,000	240,900	273,900

**TOWNSHIP OF SUMMIT
FINANCIAL REPORT WITH SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED MARCH 31, 2025**

SUMMIT TOWNSHIP
JACKSON COUNTY, MICHIGAN

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MARCH 31, 2025

SUMMIT TOWNSHIP
ANNUAL FINANCIAL REPORT
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MARKOWSKI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
2880 SPRING ARBOR ROAD • JACKSON • MICHIGAN • 49203
PHONE (517) 782-9351 • FAX (517) 782-0599

INDEPENDENT AUDITORS' REPORT

Summit Township Board
Jackson, Michigan

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Summit Township (the "Township") as of and for the year ended March 31, 2025 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of March 31, 2025 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Summit Township Board
Jackson County, Michigan

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

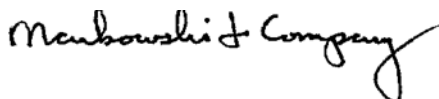
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Summit Township's basic financial statements. The combining and individual non-major financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



MARKOWSKI & COMPANY, CPAs
July 17, 2025

SUMMIT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMIT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Using this Annual Report

As management of Summit Township, we offer the readers of these financial statements this narrative overview and analysis of the financial activities of Summit Township for the fiscal year ended March 31, 2025.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

Summit Township as a Whole

The Township has a combined net position of \$2,375,873. A substantial portion of the Township's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure such as water and sewer lines); less any related debt used to acquire those assets still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net position is impacted by the \$21,025,000 voter approved debt issue to pay for road improvements since the County and State do not have the ability to maintain the township roads. Michigan law states that the roads are owned by the county and not the township, as such, the payments are expensed in the year the work is completed. For the year ended March 31, 2025, the Township had \$14,475,000 in outstanding road bonds remaining.

Combined net position increased \$4,253,981 during the year ended March 31, 2025. Looking at governmental activities separately from the business-type activities, net position increased \$1,967,493, partially as a result of \$907,674 in ARPA revenues used to purchase a new fire apparatus. Business-type activities reported an increase in net position of \$2,286,488, as a special item of \$2,209,023 being recognized from the consolidation of the Spring Arbor Township water system.

SUMMIT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Summit Township as a Whole (Continued)

In a condensed format, the following shows net position and changes in net position as of March 31, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 5,899,327	\$ 6,392,278	\$ 4,641,665	\$ 3,779,404	\$ 10,540,992	\$ 10,171,682
Noncurrent assets	3,453,131	3,186,154	17,070,309	14,386,667	20,523,440	17,572,821
Total assets	<u>9,352,458</u>	<u>9,578,432</u>	<u>21,711,974</u>	<u>18,166,071</u>	<u>31,064,432</u>	<u>27,744,503</u>
Deferred outflows	1,420,169	1,031,887	476,166	445,401	1,896,335	1,477,288
Current liabilities	1,697,749	2,379,856	1,049,469	454,533	2,747,218	2,834,389
Noncurrent liabilities	22,097,980	22,705,980	4,752,591	4,042,559	26,850,571	26,748,539
Total liabilities	<u>23,795,729</u>	<u>25,085,836</u>	<u>5,802,060</u>	<u>4,497,092</u>	<u>29,597,789</u>	<u>29,582,928</u>
Deferred inflows	<u>840,786</u>	<u>1,355,864</u>	<u>146,319</u>	<u>161,107</u>	<u>987,105</u>	<u>1,516,971</u>
Net Position:						
Invested in capital assets - net of debt	3,453,131	2,929,225	14,722,499	12,811,053	18,175,630	15,740,278
Restricted	756,052	708,093	76,600	75,031	832,652	783,124
Unrestricted	(18,073,071)	(19,468,699)	1,440,662	1,067,189	(16,632,409)	(18,401,510)
Total net position	<u>\$ (13,863,888)</u>	<u>\$ (15,831,381)</u>	<u>\$ 16,239,761</u>	<u>\$ 13,953,273</u>	<u>\$ 2,375,873</u>	<u>\$ (1,878,108)</u>

SUMMIT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Summit Township as a Whole (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for Services	\$ 617,656	\$ 391,379	\$ 5,658,059	\$ 4,936,984	\$ 6,275,715	\$ 5,328,363
Operating Grants and Contributions	2,822,536	2,704,530	-	-	2,822,536	2,704,530
Capital Grants and Contributions	907,674	-	-	-	907,674	-
General Revenues						
Property Taxes	1,046,779	989,771	-	-	1,046,779	989,771
State-Shared Revenues	2,625,246	2,624,691	-	-	2,625,246	2,624,691
Interest Income	224,816	258,849	125,046	117,489	349,862	376,338
Administrative Fees - Other Funds	185,000	180,000	(185,000)	(180,000)	-	-
Franchise Fees	327,974	361,521	-	-	327,974	361,521
Telecommunication Fees	14,303	35,730	-	-	14,303	35,730
Other Income	82,858	102,611	-	-	82,858	102,611
Special Items - Transfer of Operations	-	-	2,209,023	-	2,209,023	-
Total Revenues	8,854,842	7,649,082	7,807,128	4,874,473	16,661,970	12,523,555
Program Expenses						
Legislative	129,315	143,893	-	-	129,315	143,893
General Government	1,333,280	1,199,469	-	-	1,333,280	1,199,469
Public Safety	3,996,815	3,905,339	-	-	3,996,815	3,905,339
Public Works	217,520	196,194	-	-	217,520	196,194
Other Functions	376,604	765,200	-	-	376,604	765,200
Debt Service	496,931	552,602	-	-	496,931	552,602
Depreciation and Amortization	336,884	323,669	-	-	336,884	323,669
Water and Sewer	-	-	5,520,640	5,615,264	5,520,640	5,615,264
Total Expenses	6,887,349	7,086,366	5,520,640	5,615,264	12,407,989	12,701,630
Change in Net Position	\$ 1,967,493	\$ 562,716	\$ 2,286,488	\$ (740,791)	\$ 4,253,981	\$ (178,075)

Governmental Activities

The Township had governmental revenues of \$8,854,842, an increase over prior years.

The Township's budget is expended largely on public safety consisting of fire and police with expenditures of \$3,996,815 accounting for 58% of expenditures. The remaining budget being dedicated to other functions such as elections, assessing, zoning, roads and streets and Township administration.

Business-Type Activities

The Township's business-type activities consist of its Water and Sewer funds. The Township had an increase in net position of \$2,286,488, primarily as a result of the transfer of water operations from a neighboring township.

SUMMIT TOWNSHIP
MANAGEMENT’S DISCUSSION AND ANALYSIS

The Township’s Funds

The fund financial statements provide a more detailed analysis of the Township’s operations, which is focused primarily on the current use of available resources. The Township maintains several funds to help manage money designated for special purposes, as well as to show accountability for certain activities.

The General Fund, the major governmental fund, relates to the general governmental activities of the Township, which are financed by property tax levies, by distribution of State Shared revenues, and from fees charged for various municipal activities and services. The General Fund’s fund balance increased \$230,835. Total revenues in the General Fund were \$6,541,713. Total expenditures were \$6,310,878.

The Water and Sewer Fund is used to account for business-like activities provided to the Township’s residents. The Township charges for water and sewer service and other related goods and services. Net assets increased by \$2,286,488. The total operating revenues were \$5,658,059 and operating expenses were \$5,672,193. Major expenses include water and sewer purchases \$1,078,605, interest on debt \$33,447 and system maintenance and supplies \$907,004.

The Township maintains several Special Revenue Funds to account for resources set aside for specific purposes, as well as Expendable Trust Funds to account for assets held for individuals in a trustee capacity.

General Fund Budgetary Highlights

The original budget adopted for the Township’s General Fund projected a \$110,230 decrease in fund balance. As the year progressed and actual events took place, an amended budget was adopted to reflect the changing financial picture.

The final General Fund budget projected a \$229,000 increase in fund balance.

Capital Asset and Debt Administration

At the end of the March 31, 2025 fiscal year, the Township had \$20,523,440 invested in its capital assets, net of accumulated depreciation.

A summary of capital assets follows:

	Governmental Activities	Business-Type Activities	Total
	(Net of Accumulated Depreciation)		
Land and improvements	\$ 129,426	\$ 457,726	\$ 587,152
Building and improvements	1,135,604	378,987	1,514,591
Water and sewer systems	-	16,015,059	16,015,059
Machinery and equipment	566,038	218,537	784,575
Office equipment	11,584	-	11,584
Vehicles	1,610,479	-	1,610,479
Total	\$ 3,453,131	\$ 17,070,309	\$ 20,523,440

At the end of the year the Township had total debt outstanding of \$16,822,810. The debt represents general obligation bonds from the governmental capital improvement fund for road construction and the water and sewer fund.

SUMMIT TOWNSHIP
MANAGEMENT’S DISCUSSION AND ANALYSIS

Economic Factors and Next Year’s Budgets and Rates

Summit Township continues to face financial challenges as unfunded pension liability charges and increasing health insurance cost increases consume any new dollars received from property taxes and state revenue sharing. In January 2025 the board voted to remove elected official from the defined benefit pension going forward. The board also changed retirement for new non-union hires to an enhanced defined contribution plan while closing the defined benefit pension portion of the plan. Further changes for new union employees are being sought through collective bargaining.

Building Department – From January 1, 2025 through August 6, 2025, 14 permits were issued for new home construction, and approximately 240 building permits were issued for projects such as pole barns, decks, additions, roofs, and commercial projects.

Assessing Department – Both sales and sale prices have stagnated over the past year. For the time period January 1, 2025 through August 15, 2025, there were 212 sales with an average sale price of \$261,200. This is compared to the prior year January 1, 2024 through August 31, 2024, which consisted of 236 sales with an average sale price of \$264,100.

Department of Public Works

- Continuing the jetting & televising of approximately 40,000 feet of sanitary sewer,
- Continuing the manhole inspections program, and compiling and performing all required testing from the State of Michigan for the year.
- Continuing to identify water service line material on 350 residential services per year. This is required by EGLE to rule out lead service lines.
- The rebuilding of sewer stations 12 and 23 will be completed this fall.
- The DPW replaced fifteen fire hydrants, and repaired 18 water main breaks.
- Summit Township DPW is contracted to administer the maintenance program of the Spring Arbor Township Sewer Systems.

Fire Department - Our department remains staffed with 18 full-time firefighters, a number that has been consistent for several years. In response to two retirements that took effect on April 1st, we welcomed Firefighters Ryan Cole and Carter Shaw to the team in June. Both are progressing well in their roles.

Looking ahead, we’ve received an unexpected retirement announcement from Lt. Bill Warner, who will retire effective September 30th. Additionally, one other member is currently eligible for retirement. With recent hires and potential future openings, our current hiring list has been exhausted. As a result, a new recruitment program is scheduled to begin in September. Following Lt. Warner’s retirement, a new Lieutenant will be promoted from our most recent promotional list to maintain leadership continuity.

SUMMIT TOWNSHIP
MANAGEMENT’S DISCUSSION AND ANALYSIS

Economic Factors and Next Year’s Budgets and Rates (Continued)

Facilities and Equipment - We continue to invest in our infrastructure and tools to better serve the community. Notable updates include:

- Ladder 18 – Our new ladder truck is on schedule and set for delivery in May 2026.
- Aerial Drone – A new drone has been acquired, expanding our operational capabilities in search and rescue, assessments, and fireground support.
- Turnout Gear Grant – We were awarded a State of Michigan grant to purchase new turnout gear for all full-time personnel, significantly enhancing firefighter safety.
- Station Upgrades – Several kitchen appliances have been updated or replaced to improve station living conditions.
- Training and Professional Development - Ongoing training remains a top priority. This year, members participated in specialized training to further develop our department’s expertise: Lt. Rayburn completed the Ice Water Technician Instructor certification, allowing us to host revenue-generating classes and sustain our water rescue program. Firefighters Reed and Green attended Structural Collapse training, strengthening our Urban Search and Rescue (USAR) capabilities. Firefighter Grant Miller completed Rescue Swimmer training.
- Summit Township hosted a drone operators’ class to further support our new aerial drone program.

As we continue through 2025 and into 2026, our department remains focused on preparedness, safety, and excellence in service. We are proud of the professionalism and dedication of our personnel, and we remain committed to protecting and serving our community.

Contacting the Township’s Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township’s finances and to show our accountability for the money received. If you have questions about this report, or would like additional information, we welcome you to contact the Township Supervisor at 2121 Ferguson Rd, Jackson, Michigan 49203.

SUMMIT TOWNSHIP
BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED MARCH 31, 2025

SUMMIT TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF NET POSITION
MARCH 31, 2025

ASSETS:	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current assets:			
Cash and cash equivalents	\$ 1,202,520	\$ 1,367,354	\$ 2,569,874
Investments	3,747,421	2,326,818	6,074,239
Accounts receivable	538,032	829,651	1,367,683
Due from other governments	221,027	111,448	332,475
Internal balances	77,241	(77,241)	-
Prepaid expenses	81,091	-	81,091
Inventory	-	76,600	76,600
Special assessment receivable	31,995	7,035	39,030
Capital assets - net	3,453,131	17,070,309	20,523,440
Total assets	<u>9,352,458</u>	<u>21,711,974</u>	<u>31,064,432</u>
Deferred outflows related to pensions	754,634	323,414	1,078,048
Deferred outflows related to OPEB	665,535	152,752	818,287
Total deferred outflows	<u>1,420,169</u>	<u>476,166</u>	<u>1,896,335</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	155,179	687,687	842,866
Accrued payroll	169,450	24,422	193,872
Accrued interest	-	7,360	7,360
Deposits - Sale of assets	33,120	-	33,120
Bonds, notes, and loans payable - current	1,340,000	330,000	1,670,000
Noncurrent Liabilities:			
Unearned revenue - Special assessment	31,995	-	31,995
Bonds, notes, and loans payable - long term	13,135,000	2,017,810	15,152,810
Net pension liability	6,484,119	2,437,796	8,921,915
Net post employment benefits (OPEB)	2,059,042	215,882	2,274,924
Compensated absences	387,824	81,103	468,927
Total liabilities	<u>23,795,729</u>	<u>5,802,060</u>	<u>29,597,789</u>
Deferred inflows related to OPEB	35,356	146,319	181,675
Deferred inflows related to bond premium	805,430	-	805,430
Total deferred inflows	<u>840,786</u>	<u>146,319</u>	<u>987,105</u>
NET POSITION:			
Invested in capital assets - net of related debt	3,453,131	14,722,499	18,175,630
Restricted for:			
Prepaid expenses	81,091	-	81,091
Public Works - Street Lights	182,823	-	182,823
Public Safety - Building Department	108,295	-	108,295
Debt service	383,843	-	383,843
Inventory	-	76,600	76,600
Unrestricted	(18,073,071)	1,440,662	(16,632,409)
Total net position	<u>\$ (13,863,888)</u>	<u>\$ 16,239,761</u>	<u>\$ 2,375,873</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
THE YEAR ENDED MARCH 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Legislative	\$ 129,315	\$ -	\$ -	\$ -	\$ (129,315)	\$ -	\$ (129,315)
General government	1,333,280	74,479	-	-	(1,258,801)	-	(1,258,801)
Public safety	3,996,815	295,348	-	907,674	(2,793,793)	-	(2,793,793)
Public works	217,520	236,082	1,049,834	-	1,068,396	-	1,068,396
Other functions	376,604	11,747	-	-	(364,857)	-	(364,857)
Debt service	496,931	-	1,772,702	-	1,275,771	-	1,275,771
Depreciation	336,884	-	-	-	(336,884)	-	(336,884)
Total governmental activities	6,887,349	617,656	2,822,536	907,674	(2,539,483)	-	(2,539,483)
Business-type activities							
Water and sewer	5,520,640	5,658,059	-	-	-	137,419	137,419
Total government	\$ 12,407,989	\$ 6,275,715	\$ 2,822,536	\$ 907,674	(2,539,483)	137,419	(2,402,064)
General revenues:							
Property taxes					1,046,779	-	1,046,779
State-shared revenues					2,625,246	-	2,625,246
Interest income					224,816	125,046	349,862
Administrative fees - from other funds					185,000	(185,000)	-
Franchise fees					327,974	-	327,974
Telecommunication fees					14,303	-	14,303
Other income					82,858	-	82,858
Total general revenues and transfers					4,506,976	(59,954)	4,447,022
Special items - Spring Arbor Township transfer of operations					-	2,209,023	2,209,023
Total general revenues and special items					4,506,976	2,149,069	6,656,045
Change in net position					1,967,493	2,286,488	4,253,981
Net position - Beginning					(15,831,381)	13,953,273	(1,878,108)
Net position - Ending					\$ (13,863,888)	\$ 16,239,761	\$ 2,375,873

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE FUND</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 780,999	\$ 288,951	\$ 132,570	\$ 1,202,520
Investments	3,570,610	-	176,811	3,747,421
Accounts receivable:				
Sales tax	422,140	-	-	422,140
Franchise fees	80,545	-	-	80,545
Special assessments	31,995	-	-	31,995
Other	176	2,200	-	2,376
Prepaid expenses	81,091	-	-	81,091
Due from other funds	122,480	-	9,120	131,600
Due from other governments	111,792	92,692	16,543	221,027
	<u>\$5,201,828</u>	<u>\$ 383,843</u>	<u>\$ 335,044</u>	<u>\$ 5,920,715</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 127,619	\$ -	\$ 27,558	\$ 155,177
Accrued payroll	165,350	-	4,100	169,450
Due to other funds	9,120	-	12,268	21,388
Deposits - Cell tower sale	33,120	-	-	33,120
Unearned revenue:				
Special assessments	31,995	-	-	31,995
	<u>367,204</u>	<u>-</u>	<u>43,926</u>	<u>411,130</u>
FUND BALANCES				
Nonspendable: Prepaid expenses	81,091	-	-	81,091
Restricted for:				
Public Works - Street Lights	-	-	182,823	182,823
Public Safety - Building Department	-	-	108,295	108,295
Debt service	-	383,843	-	383,843
Assigned for capital improvements	2,313,728	-	-	2,313,728
Unassigned	2,439,805	-	-	2,439,805
	<u>4,834,624</u>	<u>383,843</u>	<u>291,118</u>	<u>5,509,585</u>
Total liabilities, fund equity and other credits	<u>\$5,201,828</u>	<u>\$ 383,843</u>	<u>\$ 335,044</u>	<u>\$ 5,920,715</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2025

Total fund balance - total governmental funds	\$ 5,509,585
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. For purposes of this reconciliation capital assets are netted with accumulated depreciation.	3,453,131
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	(14,475,000)
Premiums received on the sale of bonds are amortized over the life of the bonds, net of amortization.	(805,430)
Accrued leave is not due and payable in the current period and, therefore, is not reported in the governmental funds balance sheet.	(387,824)
Net pension liability and related deferred outflows are not current financial resources and are not reported in the funds.	(5,729,487)
Net other post employment benefits (OPEB) liability and related deferred inflows are not current financial resources and are not reported in the funds.	<u>(1,428,863)</u>
Net position of governmental activities	<u><u>\$ (13,863,888)</u></u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2025

	GENERAL FUND	DEBT SERVICE FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES:				
Taxes and penalties	\$ 1,871,679	\$ 1,772,702	\$ 236,082	\$ 3,880,463
Federal grants	907,674		-	907,674
State shared revenues	2,612,262	-	-	2,612,262
Fines and forfeitures	9,780	-	-	9,780
Interest and rentals	206,039	8,950	9,827	224,816
Licenses and fees	441,487	-	285,568	727,055
Other revenue	492,792	-	-	492,792
Total revenues	<u>6,541,713</u>	<u>1,781,652</u>	<u>531,477</u>	<u>8,854,842</u>
EXPENDITURES:				
Current:				
Legislative	125,496	-	-	125,496
General government	1,270,833	-	-	1,270,833
Public safety	4,537,945	-	231,673	4,769,618
Public works	-	-	217,520	217,520
Debt service	-	1,822,610	-	1,822,610
Other functions	376,604	-	-	376,604
Total expenditures	<u>6,310,878</u>	<u>1,822,610</u>	<u>449,193</u>	<u>8,582,681</u>
EXCESS (DEFICIENCY)				
OF REVENUES OVER				
EXPENDITURES	230,835	(40,958)	82,284	272,161
FUND BALANCE -				
Beginning of year	<u>4,603,789</u>	<u>424,801</u>	<u>208,834</u>	<u>5,237,424</u>
FUND BALANCE -				
End of year	<u>\$ 4,834,624</u>	<u>\$ 383,843</u>	<u>\$ 291,118</u>	<u>\$ 5,509,585</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025**

Net change in fund balances - total governmental funds \$ 272,161

Amounts reported for governmental activities in the statement of activities
are different because:

Government funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 966,288

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. (336,884)

The payments of long-term debt consumes the current financial resources of governmental funds. 1,225,000

Bond premiums associated with the sale of bonds are amortized over the life of the debt payments in the government-wide statement of activities. 100,679

Change in net pension benefits (190,897)

Change in net other post employment benefits (OPEB) 109,477

Earned leave expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. (72,835)

Loss on sale of assets (105,496)

Change in net position of governmental activities \$ 1,967,493

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,367,354
Investments	2,326,818
Receivables	829,651
Inventory, at cost - Pumps and meters	76,600
Due from other governments	111,448
Total current assets	4,711,871

Noncurrent assets:

Land	457,726
Buildings and improvements	850,385
Machinery, equipment and vehicles	1,506,866
Sewer and water lines	54,790,491
Less - Accumulated depreciation	(40,535,159)
Net property, plant and equipment	17,070,309
Special assessment receivable - Long-term	7,035
Total noncurrent assets	17,077,344
Total assets	21,789,215

Deferred outflows of resources - related to pensions	323,414
Deferred outflows of resources - related to other post employment benefits (OPEB)	152,752
Total deferred outflows	476,166

LIABILITIES

Current liabilities:

Accounts payable	687,687
Accrued payroll	24,422
Accrued interest	7,360
Due to other funds	77,241
Bonds, notes, and loans payable	330,000
Total current liabilities	1,126,710

Noncurrent liabilities:

Compensated absences	81,103
Net pension liability	2,437,796
Net other post employment benefits (OPEB)	215,882
Bonds, notes, and loans payable	2,017,810
Total noncurrent liabilities	4,752,591
Total liabilities	5,879,301

Deferred inflows of resources - related to other post employment benefits (OPEB)	146,319
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NET POSITION

Invested in capital assets, net of related debt	14,722,499
Restricted for inventory	76,600
Unrestricted	1,440,662
Total net position	\$ 16,239,761

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
CHARGES FOR SERVICES:			
Usage charges	\$ 2,033,093	\$ 3,111,414	\$ 5,144,507
Tap on charges and connection fees	77,073	5,055	82,128
Total charges for services	<u>2,110,166</u>	<u>3,116,469</u>	<u>5,226,635</u>
OTHER REVENUES:			
Penalties	27,809	48,986	76,795
Grinder pumps	-	88,917	88,917
Meters and curb boxes	14,650	-	14,650
Reimbursements from other governmental units	207,043	4,873	211,916
Interest - Tap on charges and connection fees	468	-	468
Grants	18,823	-	18,823
Other revenues	9,885	9,885	19,770
Materials and repairs	85	-	85
Total other revenues	<u>278,763</u>	<u>152,661</u>	<u>431,424</u>
TOTAL OPERATING REVENUES	<u>2,388,929</u>	<u>3,269,130</u>	<u>5,658,059</u>
OPERATING EXPENSES:			
Salaries and wages	319,474	319,475	638,949
Employees' social security	24,281	24,281	48,562
Employees' health insurance	54,933	54,931	109,864
Retirement contribution	171,540	171,509	343,049
Employee life insurance	779	779	1,558
Grinder pumps	-	75,031	75,031
Maintenance supplies	331,261	95,601	426,862
Heat, light and power	161,869	136,730	298,599
Water/sewer purchases	68,560	1,010,045	1,078,605
Chemicals	118,500	-	118,500
Main tap expenses	245,363	150,405	395,768
Office supplies	2,479	857	3,336
Computer supplies and maintenance	2,510	1,921	4,431
Professional services	54,747	12,275	67,022
Telephone	6,202	6,263	12,465
Repairs and maintenance	84,151	395,991	480,142
Insurance	19,375	19,375	38,750
Mowing	6,598	5,698	12,296
Clothing/safety protection	3,482	5,969	9,451
Education and training	6,088	1,379	7,467
Fuel	11,603	11,603	23,206
Depreciation	404,122	889,158	1,293,280
Administration fee	92,500	92,500	185,000
TOTAL OPERATING EXPENSES	<u>2,190,417</u>	<u>3,481,776</u>	<u>5,672,193</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
OPERATING INCOME (LOSS)	198,512	(212,646)	(14,134)
NON OPERATING REVENUES (EXPENSES):			
Interest income	41,264	83,782	125,046
Interest expense	(33,447)	-	(33,447)
Total nonoperating revenues (expenses)	<u>7,817</u>	<u>83,782</u>	<u>91,599</u>
INCOME BEFORE SPECIAL ITEMS	206,329	(128,864)	77,465
SPECIAL ITEM - Transfer of operations - Spring Arbor Township water system.	<u>2,209,023</u>	<u>-</u>	<u>2,209,023</u>
Change in net position	<u>\$ 2,415,352</u>	<u>\$ (128,864)</u>	2,286,488
Total net position - beginning of year			<u>13,953,273</u>
Total net position - end of year			<u>\$ 16,239,761</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2025

	WATER AND SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 5,449,118
Payments to suppliers	(2,707,553)
Payments to employees	(1,163,059)
Payments (internal activity) to other funds	18,731
Payments to/from other governments	(216)
Net cash provided (used) by operating activities	1,597,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(730,703)
Principal and interest paid on capital debt	(299,567)
Net cash provided (used) by capital and related financing activities	(1,030,270)
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in net pension liability	81,813
Change in OPEB liability	(110,379)
Interest income	125,046
Net cash provided (used) by investing activities	96,480
Net increase (decrease) in cash and cash equivalents	663,231
Balances - beginning of year	3,030,941
Balances - end of year	\$ 3,694,172
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (14,134)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	1,293,280
Change in assets and liabilities	
Receivables - net	(208,941)
Due from other governments	(216)
Inventories	(1,569)
Accounts payable	530,947
Due to other funds	18,731
Accrued expenses	(21,077)
Net cash provided by operating activities	\$ 1,597,021

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF NET POSITION
FIDUCIARY FUND
MARCH 31, 2025

	<u>CUSTODIAL FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 115,453
Investments	349,669
Total assets	<u>\$ 465,122</u>
LIABILITIES	
Due to other funds	\$ 32,970
Due to other's	432,152
Total liabilities	<u>\$ 465,122</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED MARCH 31, 2025

	CUSTODIAL FUND
ADDITIONS	
Property tax collected for other governments	\$ 26,736,390
DEDUCTIONS	
Distributions	26,736,390
Change in net position	-
Net position - beginning of year	-
Net position - end of year	\$ -

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

The accounting policies of Summit Township, Michigan (the “Township”) conform to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the significant policies used by Summit Township, Michigan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. DESCRIPTION OF TOWNSHIP OPERATIONS:

Summit Township was organized in 1857 and is located in the center of Jackson County. The Township operates under an elected Board of Trustees and Officers and provides services to its more than 22,500 residents in many areas including law enforcement, fire protection, water and sewer operations, community enrichment and development, human services, and general administrative services.

B. REPORTING ENTITY:

Summit Township is a municipal corporation governed by an elected board of trustees. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. In accordance with these criteria, there are no component units included in this reporting entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as a separate column in the fund financial statements.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due. All other revenue items are considered to be available only when cash is received by the government.

The Township reports the following major governmental funds:

- The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for the payment of principal and interest on long-term general obligation debt.

The Township reports the following nonmajor funds:

- The Street Lighting Special Revenue Fund accounts for the costs of lighting certain portions of the Township, and the special assessments levied upon benefiting property owners to finance these districts.
- The Building Code Special Revenue Fund accounts for all activities of the building department. This fund was established to facilitate compliance with Michigan Public Act 245 of 1999, which requires that fees charged bear a reasonable relationship to the costs of operating a building department.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

The Township reports the following major proprietary funds:

- The Water and Sewer Fund is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges. The measurement of financial activity focuses on net income measurement similar to the private sector.

The Township also reports the following fund type:

- The Fiduciary Fund – Current Tax Fund – account for assets held for other governments and individuals in a trustee capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes levied by the Township.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary funds relates to charges to customers for services provided. The Water and Sewer Fund also recognize the portion of tap on fees intended to recover current costs (e.g., the labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as capital grants and contributions. Operating costs for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS/EQUITY

1. DEPOSITS AND INVESTMENTS

The Township reports cash on hand, demand deposit bank accounts and short-term investments with an original maturity of three months or less from the date of acquisition, as cash and cash equivalents. Financial instruments not meeting these criteria are reported as investments. The Township reports investments at their fair value.

2. RECEIVABLES AND PAYABLES

In general, outstanding balances between funds are reported as “due to/from other funds”. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as “advances to/from other funds”. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

The Township has not established a reserve for uncollectible accounts based on its past experience.

The Township records various receivables which are listed and described as follows:

- a) Accounts - The accounts receivable in the general, special revenue, and enterprise funds are charges for services, which have been billed but not yet received.
- b) Main Tap Fees - The Township records the assessments levied for the water system for which payment will be made with an assessment on the property over a period of years.
- c) Connection Fees - The connection fees in the Enterprise Fund represent hook-up charges to the benefited parties for which payment will be made over a number of years.
- d) Notes Receivable - The Township records all notes in the appropriate funds as transactions occur.
- e) Accrued Interest - Accrued interest is recorded in the Special Revenue Funds and the Water and Sewer Fund for interest earned but not yet received.
- f) Special Assessments - The Township has two types of special assessments. First, the Water and Sewer Fund tracks assessments related to the sewer system, which are paid off over several years through property assessments. Second, there is a road assessment for improvements made to a private subdivision.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS/EQUITY (Continued)

3. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses in both government-wide and fund financial statements.

4. INVENTORIES

Inventories are valued at the lower of cost or market, the inventories in the business type activities consist of grinder pumps and water meters available for sale.

5. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by Township policy as assets with an individual cost or value of \$5,000 or more when acquired and a useful life in excess of one year. Purchased assets are recorded at their actual costs. Donated capital assets are reported at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized as part of the cost of assets under construction.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Land and Improvements	10-20
Building and Improvements	10-40
Sewer and Water Systems	10-50
Machinery and Equipment	5-20
Office Equipment	5-10
Vehicles	5-20

Depreciation is allocated to the appropriate function in the government-wide financial statements. Assets such as the municipal building, which is a multi-functional facility, are allocated to the general government function.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS/EQUITY (Continued)

6. ACCRUED LEAVE PAYABLE

The Township policy is to accrue unused sick pay for all employees. However, an employee cannot accrue more than 75 days of sick time. At the end of the fiscal year, all excess accumulated sick leave is paid to the employees at their regular rate of pay. One week's vacation may be carried to the following year. Any unused vacation pay at the end of the fiscal year is paid to the employees at their regular rate of pay. A liability for accrued sick and vacation time has been established in the government-wide financial statements.

7. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other obligations are reported as liabilities in the appropriate governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. These costs are reported net of accumulated amortization as bond issuance cost.

8. FUND EQUITY

In the fund financial statements, fund balance is presented in five possible categories, each of which identifies the extent to which the Township is bound to honor constraints on the specific purpose for which amounts can be spent:

Nonspendable – amounts which cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts that have constraints placed on their use by an external party or constitutional provisions or enabling legislation (grants, contributions, specific fee mandates).

Committed – amounts that are committed for specific purposes by the Township Board, as the Township's highest level of decision-making authority, pursuant to constraints imposed by formal actions taken, such as majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Township Board removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned – amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted or committed. The Township Board has the authority to assign amounts to be used for specific purposes.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS/EQUITY (Continued)

8. FUND EQUITY (Continued)

Unassigned – amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances may also include negative balances in the governmental funds reporting resources restricted for specific programs.

9. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows/inflows of resources. These financial elements represent a consumption of net position that applies to a future period and so will not be recognized as an outflow/inflow of resources until then.

The Township reports deferred outflows/inflows of resources for the defined benefit pension plan, other post-employment benefits (OPEB) and are reported in the government-wide financial statements and the water and sewer fund. The deferred outflows/inflows of resources result from the Township's actual pension plan and OPEB investment earnings and the plans assumed investment earnings.

Other deferred inflows of the Township represent bond premiums received for the sale of bonds related to local road construction.

11. PENSIONS

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. ASSETS, LIABILITIES, AND NET ASSETS/EQUITY (Continued)

12. OTHER POST EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the Net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and retiree healthcare expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. UNEARNED REVENUES

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts being received through exchange transactions prior to goods or services being provided. The Township has unearned revenue related to funds received from the American Rescue Plan Act (ARPA), which qualifies for reporting in this category.

Special Assessments – Road improvements to a private subdivision to be paid back with interest over a set period of years.

14. NET POSITION/FUND BALANCE FLOW ASSUMPTION

The Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position/fund balance to have been depleted before unrestricted net position/fund balance is applied.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Formal budgetary integration is employed as a management control device during the year for the General Fund and all Special Revenue Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles generally accepted in the United States of America (GAAP). Budget amounts included in the financial statements are as originally adopted, and the final amended budget adopted by the Township Board. Budget amendments may be adopted by a simple majority vote of the Board at any open meeting of the Board. All appropriations lapse at the end of the fiscal year. The approved budgets of the Township for these funds were adopted to the departmental level.

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) authorizes the local government unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS: (Continued)

The Township is allowed to invest in bonds, securities, and other direct obligations of the United States or an agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications and which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township's deposits and investment policy are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) risk disclosures for the Township's deposits are as follows:

Cash on hand	\$	200
Insured (FDIC/SPIC)		303,533
Uninsured		2,381,594
		\$ 2,685,327

At March 31, the Townships investments consisted of the following:

Investment	Fair Value	Rating
Bank investment pools	\$ 1,906,804	AAA
Commercial paper	1,755,512	A1+
Certificates of deposit	2,761,592	N/A
	\$ 6,423,908	

The fair value measurements of the investments noted above have been classified by the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. The levels of the fair value hierarchy are as follows:

- Level 1 inputs – Quoted price for identical assets in an active market.
- Level 2 inputs – Quoted prices for similar other observable inputs.
- Level 3 inputs – Unobservable inputs for an asset.

Investments by fair value level:

Investment	Total	Level 1	Level 2	Level 3
Bank investment pools	\$ 1,906,804	\$ 1,906,804	\$ -	\$ -
Commercial paper	1,755,512	1,755,512	-	-
Certificates of deposit	2,761,592	2,761,592	-	-
	\$ 6,423,908	\$ 6,423,908	\$ -	\$ -

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS: (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to the Township. The Township does not have a deposit policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township limits exposure risk to interest rate risk by having investments at short-term maturities.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Township’s investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by Michigan law.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES:

The amount of interfund receivables and payables at March 31, 2025 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Fund</u>	<u>Due To</u>
General	\$ 122,480	Building Code	\$ 12,269
	-	Current Tax	32,970
	-	Water and Sewer	77,241
	<u>122,480</u>		<u>122,480</u>
Debt Service	10,758	General	8,637
	-	Current Tax	2,121
	<u>10,758</u>		<u>10,758</u>
Street Light	12,409	General	12,409
Total	<u>\$ 145,647</u>		<u>\$ 145,647</u>

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year is summarized below:

Asset Category	Balance 3/31/24	Additions	Disposals	Balance 3/31/25
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 65,522	\$ -	\$ -	\$ 65,522
Capital assets being depreciated:				
Land improvements	170,784	-	-	170,784
Building and improvements	2,743,188	-	-	2,743,188
Machinery and equipment	1,597,329	33,900	-	1,631,229
Office equipment	225,078	-	-	225,078
Vehicle	1,975,599	932,388	(548,044)	2,359,943
Total capital assets being depreciated	<u>6,711,978</u>	<u>966,288</u>	<u>(548,044)</u>	<u>7,130,222</u>
Less - Accumulated Depreciation:				
Land improvements	(99,344)	(7,536)	-	(106,880)
Building and improvements	(1,541,758)	(65,826)	-	(1,607,584)
Machinery and equipment	(927,420)	(137,771)	-	(1,065,191)
Office equipment	(207,566)	(5,928)	-	(213,494)
Vehicle	(1,072,188)	(119,823)	442,547	(749,464)
Total accumulated depreciation	<u>(3,848,276)</u>	<u>(336,884)</u>	<u>442,547</u>	<u>(3,742,613)</u>
Total capital assets being depreciated, net	<u>\$ 2,929,224</u>	<u>\$ 629,404</u>	<u>\$ (105,497)</u>	<u>\$ 3,453,131</u>

Depreciation expense for the year ended March 31, 2025 was \$336,884

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS: (Continued)

Capital asset activity for the year is summarized below:

Asset Category	Balance 3/31/2024	Additions	Disposals	Balance 3/31/2025
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 457,726	\$ -	\$ -	\$ 457,726
Capital assets being depreciated:				
Building and improvements	850,385	-	-	850,385
Machinery and equipment	1,494,924	11,942	-	1,506,866
Water and sewer systems	48,418,870	6,371,621	-	54,790,491
Total capital assets being depreciated	50,764,179	6,383,563	-	57,147,742
Less - Accumulated depreciation:				
Building and improvements	(448,129)	(23,269)	-	(471,398)
Machinery and equipment	(1,189,789)	(98,540)	-	(1,288,329)
Water and sewer systems	(35,204,358)	(3,571,074)	-	(38,775,432)
Total accumulated depreciation	(36,842,276)	(3,692,883)	-	(40,535,159)
Total capital assets being depreciated	\$ 14,379,629	\$ 2,690,680	\$ -	\$ 17,070,309

Depreciation expense for the year ended March 31, 2025 was \$1,293,280.

The Township accepted a transfer of operations from Spring Arbor Township on January 1, 2025. The Township accepted the water system assets in the amount of \$5,652,859 and accumulated depreciation on those assets of \$2,399,605.

NOTE 6 - SPECIAL ASSESSMENTS RECEIVABLE:

The Township has two special assessments for capital projects:

General Fund – Residents within the special assessment district have the option of paying over a over a three-year period. Interest is charged at 6%. The remaining balance of \$31,995 represents the balance as of March 31, 2025.

Water/Sewer Fund - Residents within the special assessment districts have the option of paying over a ten to eighteen-year period. Interest is charged at 7 to 7.25% over the average bond rate. No allowance for uncollectible accounts has been established as the assessments create a first lien against the assessed property. Past experience has indicated that the receivable will be completely collected. The remaining balance of \$7,035 represents the current balance as of March 31, 2025.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT:

The Township issued bonds to finance the construction of a water system extension. These bonds are general obligation unlimited tax bonds and pledge the full faith and credit of the Township.

The following is a summary of the Township's long-term debt transactions for the year ended March 31, 2025:

	Balance 3/31/2024	Additional Debt	Repayments	Balance 3/31/2025
Governmental Activities:				
Unlimited Tax General Obligation Bonds - Road Improvements - \$21,025,000 issued March 27, 2018, annual principle payments from \$675,000 to \$2,335,000. Interest rates varying from 3% to 5% annually.	\$ 15,700,000	\$ -	\$ (1,225,000)	\$ 14,475,000
Business-Type Activities:				
General Obligation bonds - 2020 Capital Improvement Bonds, maturing annually in amounts ranging from \$125,000 to \$165,000, at an interest rate of 2.40%	\$ 1,060,000	\$ -	\$ (140,000)	\$ 920,000
General Obligation bonds - 2007 Michigan Municipal Bond Authority Michigan Drinking Water Revolving Fund Program - \$2,173,579 maturing semiannually in annual amounts ranging from \$90,000 to \$130,000, at an interest rate of 2.125%	508,579	-	(125,000)	383,579
Water Supply System Junior Lien Revenue Bonds, Series 2020 - Act 94 - DWSRF, issued August 28, 2020, annual principle payments from \$55,000 to \$85,000. Interest rate at 2% annually. Transfer of Operations from Spring Arbor Township on January 1, 2025.	-	1,044,231	-	1,044,231
Total Business-Type Activities	\$ 1,568,579	\$ 1,044,231	\$ (265,000)	\$ 2,347,810

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT:

Presented below is a summary of debt service requirements to maturity by years:

Year Ending March 31	Governmental Activities	
	Principle	Interest
2026	\$ 1,340,000	\$ 535,532
2027	1,455,000	468,532
2028	1,580,000	395,781
2029	1,715,000	316,782
2030	1,865,000	265,331
Thereafter	6,520,000	431,678
Total	<u>\$ 14,475,000</u>	<u>\$ 2,413,636</u>

Year Ending March 31	Business-Type Activities	
	Principle	Interest
2026	330,000	47,577
2027	335,000	40,239
2028	338,579	32,734
2029	215,000	25,145
2030	220,000	20,165
Thereafter	909,231	86,269
Total	<u>\$ 2,347,810</u>	<u>\$ 252,129</u>

NOTE 8 - PROPERTY TAXES:

Real and personal property taxes are levied on December 1st of each year and are due to the Township by the last day of the following February. The Township is responsible for assessing, collecting and distributing property taxes in accordance with State law. Delinquent real property taxes are paid to the Township by Jackson County. Therefore, the General Fund reflects as revenues the full amount of real taxes levied during the year. The personal property taxes are reflected as revenues in the year collected, which does not materially differ from the full accrual method of revenue recognition.

The Township's operating tax rate for the year ended March 31, 2025, was 3.8441 mills, (0.7816 general, 0.9735 public safety and 2.0890 for road debt) levied on property with a Taxable Value of \$857,078,209.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN:

The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

The pension benefit provisions are as follows:

	2024 Valuation		
	Union	Non Union	Non Union
	Open Division	Closed to New Hires	Open after 3/1/17
Benefit Multiplier	2.5% Multiplier (80% max)	2.5% Multiplier (80% max)	1.5% Multiplier (no max)
Normal Retirement Age	60	60	60
Vesting	8 years	8 years	6 years
Early Retirement (Unreduced)	50/25	50/25	-
Early Retirement (Reduced)	55/15	55/15	-
Final Average Compensation	5 years	3 years	3 years
COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	-
Employee Contributions	7%	7%	0%
D-2	D-2 (25%)	D-2 (25%)	D-2 (25%)
Act 88	No	No	No

Employees covered by benefit terms. At the December 31, 2024 valuation date, the following employees were covered by the benefit terms:

Active employees	38
Vested former employees	7
Retirees and beneficiaries	36
Pending refunds	<u>0</u>
Total participants	<u><u>81</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Net Pension Liability. The employer’s Net Pension Liability was measured as of December 31, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN: (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 3%-4%

Salary Increases: 3.0%

Investment rate of return: 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

The actuarial assumptions used in valuation were revised for the 2024-year end.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount rate. The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN: (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Changes in Net Pension Liability			
Balances at 12/31/23	\$22,326,654	\$13,423,749	\$ 8,902,905
Service Cost	376,806	-	376,806
Interest on Total Pension Liability	1,576,956	-	1,576,956
Changes in benefits	(4,557)	-	(4,557)
Difference between expected and actual experience	216,079	-	216,079
Changes in assumptions	(10,560)	-	(10,560)
Employer Contributions	-	984,176	(984,176)
Employee Contributions	-	175,511	(175,511)
Net investment income	-	1,006,095	(1,006,095)
Benefit payments, including employee refunds	(1,103,755)	(1,103,755)	-
Administrative expense	-	(30,068)	30,068
Other changes	-	-	-
Net changes	<u>1,050,969</u>	<u>1,031,959</u>	<u>19,010</u>
Balances as of 12/31/24	<u>\$23,377,623</u>	<u>\$14,455,708</u>	<u>\$ 8,921,915</u>

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.18% as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease 6.18%	Current Discount Rate 7.18%	1% Increase 8.18%
Change in Net Pension Liability (NPL)	\$ 2,938,820	-	\$ (2,449,025)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended March 31, 2025 the employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences in experience	\$ 310,009
Differences in assumptions	81,533
Excess (Deficit) investment returns	440,628
Contributions subsequent to measurement date	245,878
	<u>\$ 1,078,048</u>

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN: (Continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31	Amount
2026	\$ 616,435
2027	523,826
2028	(53,944)
2029	(8,269)
	\$ 1,078,048

NOTE 10 – RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2025, the Township carried commercial insurance to cover all risks of losses. The Township has had no settled claims resulting from these risks that exceeded commercial insurance coverage amounts in any of the past three fiscal years.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS:

The Township provides medical and pharmacy benefits for eligible retirees and their spouses hired prior to April 1, 2018. Retirees are offered payment in lieu of healthcare benefits equal to \$250 per month should they choose to opt-out of the Employer’s retiree healthcare plans.

The OPEB benefit provisions are as follows:

	3/31/25 Valuation	
	Union	General
Eligibility		
Normal Retirement Age	50	55
Vesting	8 years service	8 years service
Early Retirement (Unreduced)	50/25	55/20
Retiree Contributions Prior to 4/1/08	0% of premiums	0% of premiums
Retiree Contributions After 4/1/08	10% of premiums	10% of premiums
Duty Disability	No age or service requirements	No age or service requirements
Non-Duty Disability	8 years service	8 years service
Duty Death	No age or service requirements	No age or service requirements
Non-Duty Death	8 years service	8 years service

For the year ended March 31, 2025, Summit Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2025. The valuation computes an annual required contribution (ARC), which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortized any unfunded actuarial liabilities over a period not to exceed thirty years.

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 3/31/24	\$ 5,891,430	\$ 4,498,583	\$ 1,392,847
Service Cost	81,378	-	81,378
Interest Cost	409,197	-	409,197
Projected Earnings on Fiduciary Net Position	-	-	-
Difference Between Expected and Actual Experience	(37,924)	-	(37,924)
Difference Between Projected and Actual Earnings	-	-	-
Employer Contributions	-	260,131	(260,131)
Net Investment Income	-	235,206	(235,206)
Net Benefits Paid by Employer	(254,270)	(254,270)	-
Ad Hoc Postemployment Benefit Changes	-	-	-
Changes in Assumptions	915,177	-	915,177
Administrative expense	-	(9,586)	9,586
Net changes	<u>1,113,558</u>	<u>231,481</u>	<u>882,077</u>
Balances as of 3/31/25	<u>\$ 7,004,988</u>	<u>\$ 4,730,064</u>	<u>\$ 2,274,924</u>

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability of the employer, calculated using the discount rate of 6.93% as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower or 1% higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Change in Net OPEB Liability (NPL)	\$ 3,170,167	-	\$ (1,534,990)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended March 31, 2025 the employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings	\$ 147,564	\$ -
Difference between expected and actual experience	1,059	100,807
Change in assumptions	669,664	80,868
	<u>\$ 818,287</u>	<u>\$ 181,675</u>

SUMMIT TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS: (Continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31	Amount
2026	\$ 247,002
2027	327,501
2028	46,196
2029	15,913
	\$ 636,612

Projections for benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 31, 2025, actuarial valuation, the actuarial assumptions include the following:

Investment Rate of Return	6.93%
Annual Wage Increase	3.00%
Discount Rate	6.93%

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 17, 2025, the date on which the financial statements were available to be issued.

NOTE 13 - SPECIAL ITEM: TRANSFER OF WATER SYSTEM OPERATIONS

Effective January 1, 2025, Summit Township assumed the operations of the municipal water system previously owned and operated by Spring Arbor Township. Under the intergovernmental agreement, the entirety of the Spring Arbor Township water system was consolidated into the Summit Township municipal water system.

As part of this transfer, the Summit Township Water Fund recognized the following:

- Capital assets in the amount of \$5,652,859,
- Accumulated depreciation of \$2,399,605, and
- Assumed debt of \$1,044,231 related to the water system infrastructure.

This transaction resulted in a net special item of \$2,209,023, which is reported in the financial statements as a special item. This classification is appropriate due to the unusual and nonrecurring nature of the intergovernmental transfer.

No other assets or liabilities were transferred as part of this transaction.

SUMMIT TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED MARCH 31, 2025

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE:				
TAXES AND PENALTIES:				
Current property taxes	\$ 1,440,300	\$ 1,485,400	\$ 1,487,182	\$ -
Delinquent property taxes	200	2,300	5,125	-
Interest and penalties	60,000	23,000	50,489	-
Administrative fees	325,000	328,900	328,883	-
Total	<u>1,825,500</u>	<u>1,839,600</u>	<u>1,871,679</u>	<u>32,079</u>
STATE SHARED REVENUES:				
Sales tax	2,618,000	2,565,100	2,578,160	-
Local community stabilization funds	40,000	15,000	34,102	-
Total	<u>2,658,000</u>	<u>2,580,100</u>	<u>2,612,262</u>	<u>32,162</u>
FINES AND FORFEITURES:				
Police fines	10,100	9,100	9,780	680
INTEREST AND RENTALS:				
Interest on investments	210,000	216,900	185,599	-
Rents-Cell tower	21,000	21,000	20,440	-
Total	<u>231,000</u>	<u>237,900</u>	<u>206,039</u>	<u>(31,861)</u>
LICENSES AND FEES:				
Franchise fees	365,000	329,000	327,974	-
Trailer park fees	1,100	1,100	1,274	-
Zoning fees and variance applications	10,500	11,500	11,747	-
Telecommunication fees	14,700	65,000	14,303	-
Liquor licenses	10,400	12,900	12,984	-
Tax collection fees	42,300	42,400	42,484	-
Mowing charges	27,000	30,000	30,675	-
Other	-	-	46	-
Total	<u>471,000</u>	<u>491,900</u>	<u>441,487</u>	<u>(50,413)</u>
OTHER:				
Administrative fees - From other funds	185,000	185,000	185,000	-
Special assessments - roads	100,000	219,100	224,934	-
Grants - Federal	-	913,400	907,674	-
Opioid settlement	-	-	5,737	-
Other	55,100	69,500	77,121	-
Total	<u>340,100</u>	<u>1,387,000</u>	<u>1,400,466</u>	<u>13,466</u>
Total Revenue	<u>5,535,700</u>	<u>6,545,600</u>	<u>6,541,713</u>	<u>(3,887)</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES:				
LEGISLATIVE:				
TOWNSHIP BOARD:				
Salaries and wages	-	-	32,275	-
Employees' social security	-	-	2,607	-
Employees' health insurance	-	-	3,084	-
Employees' life insurance	-	-	857	-
Retirement contributions	-	-	3,708	-
Membership and dues	-	-	19,928	-
Office supplies	-	-	879	-
Education and training	-	-	453	-
Insurance and bonds	-	-	51	-
Professional services	-	-	58,657	-
Printing and publishing	-	-	2,997	-
Total legislative	142,500	133,100	125,496	7,604
GENERAL GOVERNMENT:				
TOWNSHIP SUPERVISOR:				
Salaries and wages	-	-	39,903	-
Employees' social security	-	-	3,282	-
Employees' health insurance	-	-	5,012	-
Employees' life insurance	-	-	172	-
Retirement contributions	-	-	16,103	-
Office supplies	-	-	60	-
Education and training	-	-	208	-
Insurance and bonds	-	-	49	-
Professional services	-	-	1,800	-
Total township supervisor	68,200	66,000	66,589	(589)
TOWNSHIP CLERK:				
Salaries and wages	-	-	208,887	-
Employees' social security	-	-	13,974	-
Employees' health insurance	-	-	62,943	-
Employees' life insurance	-	-	756	-
Retirement contribution	-	-	90,786	-
Office supplies	-	-	1,475	-
Education and training	-	-	654	-
Insurance and bonds	-	-	418	-
Total township clerk	380,700	395,300	379,893	15,407

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT: (Continued)				
TOWNSHIP TREASURER:				
Salaries and wages	-	-	136,939	-
Employees' social security	-	-	10,185	-
Employees' health insurance	-	-	29,780	-
Employees' life insurance	-	-	295	-
Retirement contribution	-	-	66,647	-
Membership and dues	-	-	99	-
Office supplies	-	-	14,445	-
Education and training	-	-	676	-
Computer supplies and maintenance	-	-	9,276	-
Mileage	-	-	3,600	-
Insurance and bonds	-	-	265	-
Total township treasurer	272,100	277,200	272,207	4,993
ASSESSING:				
Salaries and wages	-	-	166,218	-
Employees' social security	-	-	12,611	-
Employees' health insurance	-	-	24,242	-
Employees' life insurance	-	-	378	-
Retirement contributions	-	-	61,038	-
Office supplies	-	-	202	-
Education and training	-	-	1,215	-
Tax roll preparation	-	-	8,481	-
Computer supplies and maintenance	-	-	4,404	-
Mileage	-	-	3,600	-
Insurance and bonds	-	-	445	-
Printing and publishing	-	-	75	-
Total assessing	275,900	285,300	282,909	2,391
ELECTIONS:				
Salaries and wages	-	-	37,109	-
Office supplies	-	-	2,430	-
Maintenance supplies	-	-	32,043	-
Printing/Publishing	-	-	5,698	-
Total elections	93,000	77,000	77,280	(280)

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT: (Continued)				
TOWNSHIP HALL AND GROUNDS:				
Office supplies	-	-	4,893	-
Maintenance supplies	-	-	7,870	-
Computer supplies and maintenance	-	-	49,072	-
Insurance and bonds	-	-	34,933	-
Public utilities	-	-	21,789	-
Telephone	-	-	7,116	-
Maintenance of grounds	-	-	66,282	-
Total township hall and grounds	<u>200,100</u>	<u>195,100</u>	<u>191,955</u>	<u>3,145</u>
Total general government	<u>1,290,000</u>	<u>1,295,900</u>	<u>1,270,833</u>	<u>25,067</u>
PUBLIC SAFETY:				
POLICE DEPARTMENT:				
Salaries and wages	-	-	595,022	-
Employees' social security	-	-	3,157	-
Education and training	-	-	52	-
Mileage	-	-	8,305	-
Insurance and bonds	-	-	166	-
Professional services	-	-	31,216	-
Telephone	-	-	273	-
Total police department	<u>650,700</u>	<u>633,200</u>	<u>638,191</u>	<u>(4,991)</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY: (Continued)				
FIRE DEPARTMENT:				
Salaries and wages	-	-	1,686,073	-
Employees' social security	-	-	112,163	-
Employees' health insurance	-	-	282,477	-
Employees' life insurance	-	-	2,458	-
Retirement contribution	-	-	511,741	-
Uniforms	-	-	11,325	-
Subsistence allowance	-	-	19,800	-
Membership and dues	-	-	463	-
Clothing and safety gear	-	-	35,867	-
Office supplies	-	-	2,040	-
Maintenance supplies	-	-	38,061	-
Employee physicals	-	-	10,855	-
Education and training	-	-	27,748	-
Computer supplies and maintenance	-	-	20,666	-
Gas and mileage	-	-	23,855	-
Insurance and bonds	-	-	72,086	-
Professional services	-	-	248	-
Public utilities	-	-	15,323	-
Telephone	-	-	10,883	-
Repairs and maintenance	-	-	54,682	-
Capital outlay	-	-	960,940	-
Total fire department	<u>3,000,800</u>	<u>3,873,200</u>	<u>3,899,754</u>	<u>(26,554)</u>
Total Public Safety	<u>3,651,500</u>	<u>4,506,400</u>	<u>4,537,945</u>	<u>(31,545)</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2025

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FUNCTIONS:				
Zoning	-	-	80,995	-
Cemetery	-	-	10,000	-
Sanitary landfill	-	-	14,821	-
Board of appeals	-	-	1,364	-
Planning commission	-	-	3,588	-
Board of review	-	-	2,297	-
Recreation committee	-	-	538	-
Mowing	-	-	36,750	-
Roads and streets	-	-	5,777	-
OPEB funding	-	-	214,687	-
Other	-	-	5,787	-
Total other functions	<u>561,930</u>	<u>381,200</u>	<u>376,604</u>	<u>4,596</u>
Total Expenditures	<u>5,645,930</u>	<u>6,316,600</u>	<u>6,310,878</u>	<u>5,722</u>
Net change in fund balance	(110,230)	229,000	230,835	1,835
Fund Balance - Beginning of year	<u>4,603,789</u>	<u>4,603,789</u>	<u>4,603,789</u>	-
Fund Balance - End of year	<u>\$ 4,493,559</u>	<u>\$ 4,832,789</u>	<u>\$ 4,834,624</u>	<u>\$ 1,835</u>

The accompanying notes are an integral part of the financial statements.

Summit Township
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
March 31, 2024

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability								
Service Cost	\$ 376,806	\$ 370,046	\$ 339,360	\$ 314,197	\$ 322,725	\$ 319,249	\$ 291,185	\$ 283,605
Interest	1,576,956	1,523,664	1,390,538	1,282,609	1,212,511	1,139,505	1,154,976	1,137,154
Changes of Benefit Terms	(4,557)	(6,501)	-	-	-	(10,137)	(180,219)	(9,313)
Difference between expected and actual experience	216,079	265,089	(7,654)	(54,607)	599,475	(324,716)	33,873	(16,300)
Changes of assumptions	(10,560)	178,906	61,618	799,879	497,790	553,652	-	-
Benefit payments including employee refunds	(1,103,755)	(1,026,498)	(969,874)	(875,646)	(810,811)	(762,757)	(738,369)	(677,477)
Other changes	-	(21,789)	49,662	109,938	41,242	100,772	37,259	(2,519)
Net Change in Total Pension Liability	<u>1,050,969</u>	<u>1,282,917</u>	<u>863,650</u>	<u>1,576,370</u>	<u>1,862,932</u>	<u>1,015,568</u>	<u>598,705</u>	<u>715,150</u>
Total Pension Liability beginning	<u>22,326,654</u>	<u>21,043,737</u>	<u>20,180,087</u>	<u>18,603,717</u>	<u>16,740,785</u>	<u>15,725,217</u>	<u>15,126,512</u>	<u>14,411,362</u>
Total Pension Liability ending	<u>\$ 23,377,623</u>	<u>\$ 22,326,654</u>	<u>\$ 21,043,737</u>	<u>\$ 20,180,087</u>	<u>\$ 18,603,717</u>	<u>\$ 16,740,785</u>	<u>\$ 15,725,217</u>	<u>\$ 15,126,512</u>
Plan Fiduciary Net Position								
Contributions-employer	\$ 984,176	\$ 917,128	\$ 870,181	\$ 786,382	\$ 745,377	\$ 665,097	\$ 630,651	\$ 551,344
Contributions-employee	175,511	159,559	143,885	138,042	246,473	127,137	112,320	92,508
Net Investment income	1,006,095	1,351,291	(1,393,393)	1,665,477	1,359,106	1,228,754	(373,354)	1,106,300
Benefit payments including employee refunds	(1,103,755)	(1,026,498)	(969,874)	(875,646)	(810,811)	(762,757)	(738,369)	(677,477)
Administrative expense	(30,068)	(28,644)	(24,966)	(19,115)	(20,891)	(21,182)	(18,290)	(17,495)
Net Change in Plan Fiduciary Net Position	<u>1,031,959</u>	<u>1,372,836</u>	<u>(1,374,167)</u>	<u>1,695,140</u>	<u>1,519,254</u>	<u>1,237,049</u>	<u>(387,042)</u>	<u>1,055,180</u>
Plan Fiduciary Net Position beginning	<u>13,423,749</u>	<u>12,050,913</u>	<u>13,425,080</u>	<u>11,729,940</u>	<u>10,210,686</u>	<u>8,973,637</u>	<u>9,360,680</u>	<u>8,305,500</u>
Plan Fiduciary Net Position ending	<u>\$ 14,455,708</u>	<u>\$ 13,423,749</u>	<u>\$ 12,050,913</u>	<u>\$ 13,425,080</u>	<u>\$ 11,729,940</u>	<u>\$ 10,210,686</u>	<u>\$ 8,973,638</u>	<u>\$ 9,360,680</u>
Employer Net Pension Liability	<u>\$ 8,921,915</u>	<u>\$ 8,902,905</u>	<u>\$ 8,992,824</u>	<u>\$ 6,755,007</u>	<u>\$ 6,873,777</u>	<u>\$ 6,530,099</u>	<u>\$ 6,751,579</u>	<u>\$ 5,765,832</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62%	60%	57%	67%	63%	61%	57%	62%
Covered Employee Payroll	\$ 2,599,228	\$ 2,591,957	\$ 2,272,502	\$ 2,261,934	\$ 2,245,604	\$ 2,246,257	\$ 2,051,603	\$ 1,979,177
Employer's Net Pension Liability as a percentage of covered employee payroll	343%	343%	396%	299%	306%	291%	329%	291%

Summit Township
Schedule of Employer's Pension Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial Determined Contributions	\$ 984,176	\$ 917,128	\$ 870,181	\$ 786,382	\$ 745,377	\$ 588,474	\$ 584,584	\$ 551,344	\$ 516,076	\$ 483,804
Contributions in relation to the actuarially determined contribution	984,176	917,128	870,181	786,382	745,377	588,474	584,584	551,344	516,076	483,804
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 2,599,228	\$ 2,591,957	\$ 2,272,502	\$ 2,261,934	\$ 2,245,604	\$ 2,246,257	\$ 2,051,603	\$ 1,979,177	1,982,880	1,973,344
Contributions as a percentage of covered employee payroll	38%	35%	38%	35%	33%	26%	28%	28%	26%	25%

Notes to Schedule	
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	10 year smoothed
Inflation	3.0%
Salary Increases	4.5%
Investment rate of return	7.0%
Retirement age	Varies depending on plan adoption
Mortality	Annuity Mortality Table

Summit Township
Schedule of Changes in the Employer's Net Other Post Employment Liability and Related Ratios
March 31, 2024

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability							
Service Cost	\$ 81,378	\$ 79,008	\$ 93,900	\$ 89,174	\$ 157,903	\$ 102,737	\$ 92,027
Interest	409,197	393,239	374,414	354,236	379,623	363,590	313,450
Difference between expected and actual experience	(37,924)	(11,161)	(214,203)	12,803	(89,681)	252,022	-
Benefit payments	(254,270)	(216,669)	(190,643)	(191,187)	(157,512)	(166,164)	-
Change in assumptions	915,177	-	87,261	139,068	(2,006,283)	1,296,936	-
Ad Hoc postemployment changes	-	-	(19,334)	-	(24,910)	(77,000)	(203,728)
Net Change in Total OPEB Liability	<u>1,113,558</u>	<u>244,417</u>	<u>131,395</u>	<u>404,094</u>	<u>(1,740,860)</u>	<u>1,772,121</u>	<u>201,749</u>
Total OPEB Liability beginning	<u>5,891,430</u>	<u>5,647,013</u>	<u>5,515,618</u>	<u>5,111,524</u>	<u>6,852,024</u>	<u>5,079,903</u>	<u>4,878,154</u>
Total OPEB Liability ending	<u>\$ 7,004,988</u>	<u>\$ 5,891,430</u>	<u>\$ 5,647,013</u>	<u>\$ 5,515,618</u>	<u>\$ 5,111,164</u>	<u>\$ 6,852,024</u>	<u>\$ 5,079,903</u>
Plan Fiduciary Net Position							
Contributions-employer	\$ 260,131	\$ 263,078	\$ 218,690	\$ 272,905	\$ 351,499	\$ 346,874	\$ 305,816
Net Investment income	235,206	431,644	(111,195)	157,092	937,529	(144,064)	25,429
Benefit payments	(254,270)	(216,669)	(190,643)	(191,187)	(157,152)	(166,164)	(203,728)
Administrative expense	(9,586)	(8,400)	(6,834)	(7,271)	(5,783)	(4,958)	(5,671)
Net Change in Plan Fiduciary Net Position	<u>231,481</u>	<u>469,653</u>	<u>(89,982)</u>	<u>231,539</u>	<u>1,126,093</u>	<u>31,688</u>	<u>121,846</u>
Plan Fiduciary Net Position beginning	<u>4,498,583</u>	<u>4,028,930</u>	<u>4,118,912</u>	<u>3,887,373</u>	<u>2,761,280</u>	<u>2,729,592</u>	<u>2,607,746</u>
Plan Fiduciary Net Position ending	<u>\$ 4,730,064</u>	<u>\$ 4,498,583</u>	<u>\$ 4,028,930</u>	<u>\$ 4,118,912</u>	<u>\$ 3,887,373</u>	<u>\$ 2,761,280</u>	<u>\$ 2,729,592</u>
Employer Net OPEB Liability	<u>\$ 2,274,924</u>	<u>\$ 1,392,847</u>	<u>\$ 1,618,083</u>	<u>\$ 1,396,706</u>	<u>\$ 1,223,791</u>	<u>\$ 4,090,744</u>	<u>\$ 2,350,311</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	68%	76%	71%	75%	76%	40%	54%
Covered Payroll	1,025,596	1,418,855	1,308,912	1,577,576	1,534,950	1,611,312	1,731,921
Total OPEB liability as a percentage of payroll	222%	98%	124%	89%	80%	254%	136%
Eligibility/Actuarial Assumptions							
Eligibility - Fireman - Age 50 and 25 years of service, Other - Age 55 and 20 years of service							
Retiree Contributions - Hired prior to 4/1/2008 - 0% of premiums, after 4/1/2008 - 10%-17% of premiums.							
Salary Increase - 3.0%							
Investment Rate of Return - 6.93%							
Discount Rate - 6.93%							

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting is presented for those years which the information is available.

Summit Township
Schedule of Employer's OPEB Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019
Actuarial Determined Contributions	\$ 260,131	\$ 263,078	\$ 218,690	\$ 220,988	\$ 351,499	\$ 346,874	\$ 278,393
Contributions in relation to the actuarially determined contribution	260,131	263,078	218,690	220,988	351,499	346,874	278,393
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 1,025,596	\$ 1,418,855	\$ 1,308,912	\$ 1,577,576	\$ 1,534,950	\$ 1,611,312	\$ 1,363,684
Contributions as a percentage of covered employee payroll	25%	19%	17%	14%	23%	22%	20%
Actuarial Assumptions							
Investment Rate of Return	6.93%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Salary Scale	3.00%	3.00%	3.00%	3.00%	3.75%	3.75%	3.75%
Discount Rate	6.93%	7.00%	7.00%	7.00%	7.00%	7.00%	7.0%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting is presented for those years which the information is available.

SUMMIT TOWNSHIP

ADDITIONAL INFORMATION

FISCAL YEAR ENDED MARCH 31, 2025

SUMMIT TOWNSHIP
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2025

	STREET LIGHTS	BUILDING CODE	TOTAL
ASSETS			
Cash and cash equivalents	\$ -	\$ 132,570	\$ 132,570
Investments	176,811	-	176,811
Due from other funds	9,120	-	9,120
Due from Jackson County	16,543	-	16,543
	<u>202,474</u>	<u>132,570</u>	<u>335,044</u>
Total assets	<u>\$ 202,474</u>	<u>\$ 132,570</u>	<u>\$ 335,044</u>
LIABILITIES AND FUND BALANCE			
Accounts payable	\$ 19,651	\$ 7,906	\$ 27,557
Accrued payroll	-	4,100	4,100
Due to other funds	-	12,269	12,269
Total liabilities	<u>19,651</u>	<u>24,275</u>	<u>43,926</u>
Fund balance restricted for:			
Public Works - Street lights	182,823	-	182,823
Public Safety - Building department	-	108,295	108,295
	<u>182,823</u>	<u>108,295</u>	<u>291,118</u>
Total liabilities and fund balance	<u>\$ 202,474</u>	<u>\$ 132,570</u>	<u>\$ 335,044</u>

The accompanying notes are an integral part of the financial statements.

SUMMIT TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENT FUNDS
MARCH 31, 2025

	<u>STREET LIGHTS</u>	<u>BUILDING CODE</u>	<u>TOTAL</u>
REVENUES:			
Property taxes	\$ 236,082	\$ -	\$ 236,082
Permit fees	-	285,568	285,568
Interest	8,149	1,678	9,827
Total revenues	<u>244,231</u>	<u>287,246</u>	<u>531,477</u>
EXPENDITURES:			
Salaries and wages	-	178,100	178,100
Employees' social security	-	9,477	9,477
Employees' health insurance	-	13,044	13,044
Employees' life insurance	-	189	189
Retirement contribution	-	20,034	20,034
Office supplies	-	604	604
Education and training	-	480	480
Computer supplies and maintenance	-	4,084	4,084
Mileage	-	3,600	3,600
Insurance	-	261	261
Public utilities	217,520	825	218,345
Telephone	-	975	975
Total expenditures	<u>217,520</u>	<u>231,673</u>	<u>449,193</u>
Net change in fund balance	26,711	55,573	82,284
FUND BALANCE -			
Beginning of year	<u>156,112</u>	<u>52,722</u>	<u>208,834</u>
FUND BALANCE -			
End of year	<u>\$ 182,823</u>	<u>\$ 108,295</u>	<u>\$ 291,118</u>

The accompanying notes are an integral part of the financial statements.

MARKOWSKI & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2880 SPRING ARBOR ROAD • JACKSON • MICHIGAN • 49203

PHONE (517) 782-9351 • FAX (517) 782-0599

WWW.MARKOWSKIPAS.COM

COMMUNICATION OF AUDITOR/TOWNSHIP RESPONSIBILITY

Township Board
Summit Township
Jackson County, Michigan

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of Summit Township for the year ended March 31, 2025 and have issued our report thereon dated August 21, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Generally Accepted Auditing Standards

As stated in our engagement letter dated July 17, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by Summit Township are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Township of Summit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Pension and OPEB actuarial calculations. We evaluated the actuarial reports for appropriateness.

The depreciable lives of the capital assets. We evaluated the lives of each of the assets to determine that they are being expensed over the proper period of time.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2025.

Management Consultations with Other Independent Accountants

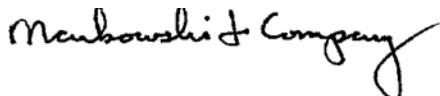
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Summit Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Summit Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Township Board and management of Summit Township and should not be used for any other purpose.

Very truly yours,



MARKOWSKI & COMPANY CPAs
July 17, 2025

**GENERAL FUND STATEMENTS OF THE
TOWNSHIP OF SUMMIT
FOR THE FISCAL YEARS ENDED MARCH 31, 2025, 2024 AND 2023**

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the Township of Summit audited Annual Financial Reports for the fiscal years ended March 31, 2025, 2024 and 2023. These audited Annual Financial Reports were prepared in accordance with the Generally Accepted Accounting Principles. The Township's auditors have not been asked to consent to the use of information from such audited Annual Financial Reports in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Annual Financial Reports or of the information presented in this Appendix.

Copies of audited Annual Financial Reports of the Township may be obtained from the State of Michigan - Department of Treasury.

Local Audit and Finance Division

Lansing, MI 48922

Telephone: (517) 373-3227

Website: www.michigan.gov/treasury

**SUMMIT TOWNSHIP
GENERAL FUND - BALANCE SHEET
FOR YEARS ENDED MARCH 31**

ASSETS	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash & Cash Equivalents	\$780,999	\$1,067,490	\$753,063
Investments	3,570,610	3,904,251	4,318,612
Accounts Receivable			
Sale tax	422,140	402,279	381,062
Franchise fees	80,545	87,380	94,397
Special Assessments	31,995	256,929	-
Other	176	19,567	3,010
Prepaid Expenses	81,091	74,458	222,870
Due from other Fund	122,480	74,287	119,179
Due from other governments	111,792	121,742	91,120
TOTAL ASSETS	<u>\$5,201,828</u>	<u>\$6,008,383</u>	<u>\$5,983,313</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$127,619	\$110,723	\$86,061
Accrued Payroll	\$165,350	\$108,224	\$100,383
Due to other funds	\$9,120	\$21,046	-
Deposits- Cell tower sale	\$33,120	-	-
Unearned Revenue	31,995	1,164,603	910,492
TOTAL LIABILITIES	<u>367,204</u>	<u>1,404,596</u>	<u>1,096,936</u>
FUND EQUITY			
Fund balances:			
Non-spendable - Prepays	81,091	74,456	222,870
Assigned for capital improvements	2,313,728	1,745,868	1,748,296
Undesignated	2,439,805	2,783,463	2,915,211
TOTAL FUND EQUITY	<u>4,834,624</u>	<u>4,603,787</u>	<u>4,886,377</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$5,201,828</u>	<u>\$6,008,383</u>	<u>\$5,983,313</u>

Source: Summit Township audited general purpose financial statements

SUMMIT TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
AS OF MARCH 31

	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUE			
Taxes and Penalties	\$1,871,679	\$1,769,415	\$1,634,436
Federal Grants	907,674	2,818	642,709
State Shared Revenues	2,612,262	2,624,691	2,638,533
Fines and Forfeitures	9,780	10,308	9,584
Interest and Rentals	206,039	231,591	100,085
Licenses and Fees	441,487	490,017	485,178
Other	492,792	363,083	264,722
TOTAL REVENUES	<u><u>6,541,713</u></u>	<u><u>5,491,923</u></u>	<u><u>5,775,247</u></u>
EXPENDITURES			
Current			
Legislative	125,496	136,925	108,294
General Government	1,270,833	1,298,492	1,364,361
Public Safty	4,537,945	3,573,894	3,606,093
Other functions	376,604	765,200	352,803
TOTAL EXPENDITURES	<u><u>6,310,878</u></u>	<u><u>5,774,511</u></u>	<u><u>5,431,551</u></u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	230,835	-282,588	343,696
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	380,000
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>380,000</u></u>
Excess of Revenues and Other Financing Sources over expenditures and other financing	230,835	(282,588)	723,696
FUND BALANCES - BEGINNING OF YEAR	<u>4,603,789</u>	<u>4,886,377</u>	<u>4,162,681</u>
FUND BALANCES - END OF YEAR	<u><u>\$4,834,624</u></u>	<u><u>\$4,603,789</u></u>	<u><u>\$4,886,377</u></u>

Source: Summit Township audited general purpose financial statements

FORM OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller



Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
millercanfield.com

MICHIGAN
ILLINOIS
NEW YORK
OHIO
WASHINGTON, D.C.
CALIFORNIA
CANADA
MEXICO
POLAND
UKRAINE
QATAR

FORM OF APPROVING OPINION

Township of Summit
County of Jackson
State of Michigan

We have acted as bond counsel to the Township of Summit, County of Jackson, State of Michigan (the “Issuer”) in connection with the issuance by the Issuer of bonds in the aggregate principal sum of \$ _____, designated 2026 Capital Improvement Bonds (Limited Tax General Obligation) (the “Bonds”). In such capacity we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of \$5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of _____, 2026, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.
2. The Issuer has pledged its limited tax full faith and credit for the payment of the Bonds and, in order to make such payment, the Issuer is obligated to provide, as a first budget obligation, sufficient general fund moneys in its annual budget and, if necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional and statutory tax rate limitations.
3. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Township of Summit

-2-

FORM OF APPROVING OPINION

Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and State of Michigan income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

Except as stated in paragraph 3 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Township of Summit, County of Jackson, State of Michigan (the “Issuer”), in connection with the issuance of its 2026 Capital Improvement Bonds (Limited Tax General Obligation) (the “Bonds”). The Issuer covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the Issuer prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the date of this Undertaking which are applicable to this Undertaking.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, on or before the last day of the sixth month after the end of the fiscal year of the Issuer, the following annual financial information and operating data, commencing with the fiscal year ended December 31, 2025, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the Issuer relating to the Bonds (the “Official Statement”) appearing in the tables in the Official Statement as described below:

- a. History of Property Valuations;
- b. Major Taxpayers;
- c. Tax Rates (Per \$1,000 of Taxable Value) – Township of Summit;
- d. Tax Rate Limitations;
- e. Tax Levies and Collections;
- f. Revenues from the State of Michigan;
- g. Labor Agreements;
- h. Retirement Plan;
- i. Other Post-employment Benefits;
- j. General Fund-Fund Balance
- k. Debt Statement – Direct Debt; and
- l. Statement of Legal Debt Margin.

(2) The Audited Financial Statements; provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

(3) Such additional financial information or operating data as may be determined by the Issuer and its advisors as desirable or necessary to comply with the Rule.

Such annual financial information and operating data described above are expected to be provided directly by the Issuer or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Issuer is changed, the Issuer shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Issuer to provide the annual financial information with respect to the Issuer described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The Issuer agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; or
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws.* The Issuer agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the Issuer to provide annual financial information and notices of material events, as set forth above, shall be terminated

if and when the Issuer no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The Issuer agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the Issuer’s obligations hereunder and any failure by the Issuer to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Issuer (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Issuer in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the Issuer has caused this Undertaking to be executed by its authorized officer.

TOWNSHIP OF SUMMIT
County of Jackson, State of Michigan

By _____

Its:

Dated: _____, 2026

NOTICE OF SALE

OFFICIAL NOTICE OF SALE
\$7,845,000*
TOWNSHIP OF SUMMIT
COUNTY OF JACKSON, STATE OF MICHIGAN

2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)
**Subject to adjustment as set forth in this Official Notice of Sale*

BID OPENING: Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on June 10, 2026 until 11:00 a.m., prevailing Eastern Time, at which time and place the bids will be read. The award or rejection of the bids will occur on that date.

ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above bonds as follows:

Electronic bids may be submitted to the office of Bendzinski & Co. Municipal Finance Advisors at info@bendzinski.com, provided that electronic bids must arrive before the time of sale.

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. IF ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS OFFICIAL NOTICE OF SALE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means. Each bidder bears all risks associated with the submission, transmission and delivery of its bid.

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of delivery, numbered in order of registration, and will bear interest from their date payable on April 1, 2027 and semiannually thereafter.

The bonds will mature on the 1st day of April in each of the years as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$175,000	2037	\$395,000
2028	270,000	2038	410,000
2029	280,000	2039	430,000
2030	290,000	2040	445,000
2031	305,000	2041	465,000
3032	320,000	2042	485,000
2033	330,000	2043	510,000

2034	345,000	2044	530,000
2035	360,000	2045	550,000
2036	375,000	2046	575,000

***ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES:** The Township reserves the right to adjust the aggregate principal amount of the bonds after receipt of the bids and prior to final award, if necessary, so that the purchase price of the bonds will provide an amount determined by the Township to be sufficient to construct the project and to pay costs of issuance of the bonds. The adjustments, if necessary, will be in increments of \$5,000. The purchase price will be adjusted proportionately to the adjustment in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

***ADJUSTMENT TO PURCHASE PRICE:** Should any adjustment to the aggregate principal amount of the bonds be made by the Township, the purchase price of the bonds will be adjusted by the Township proportionally to the adjustment in principal amount of the bonds. The adjusted purchase price will reflect changes in the dollar amount of the underwriter’s discount and original issue discount/premium, if any, but will not change the per-bond underwriter’s discount as calculated from the bid and initial reoffering prices.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding six percent (6.00%) per annum, to be fixed by the bids therefor, expressed in any fraction of 1%. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. No proposal for the purchase of less than all of the bonds or at a price less than 99.00% of their par value will be considered.

PRIOR REDEMPTION OF THE BONDS: Bonds maturing in the years 2027 to 2035 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2036 and thereafter shall be subject to redemption prior to maturity, at the option of the Township, in any order of maturity and by lot within any maturity, on any date on or after April 1, 2035, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem the bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from April 1, 2027 through the final maturity as term bonds and the consecutive maturities on or after the year 2027 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on April 1 of the years and in the amounts set forth in the above maturity schedule at

a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The book-entry only system is described further in the preliminary Official Statement for the bonds. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of Argent Institutional Trust Company, Grand Rapids, Michigan, or such other transfer agent as the Township may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the Township as of the 15th day of the month preceding an interest payment date. The bonds will be transferred only upon the registration books of the Township kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are authorized for the purpose of paying the cost of acquiring and constructing various capital improvements for the Township. The bonds will be a first budget obligation of the Township, payable from the general funds of the Township including the collection of ad valorem taxes on all taxable property in the Township subject to applicable constitutional and statutory tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier’s check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of one percent (1%) of the par amount of the bonds, payable to the order of the Township will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the Township as instructed by the Township’s municipal advisor not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the Township. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS – TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on April 1, 2027 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to July 1, 2026 (the anticipated delivery date), in an amount equal to the price bid, excluding accrued interest, if any. For the purpose of computing the true interest cost, the bonds shall be

deemed to become due in the principal amounts and at the times as set forth above, whether the bonds are serial bonds or mandatory sinking fund redemptions for such term bonds. Each bidder shall state in its bid the true interest cost to the Township, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

QUALIFIED TAX-EXEMPT OBLIGATIONS: The Township will designate the bonds as “qualified tax-exempt obligations” for purposes of the deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended.

ISSUE PRICE: The winning bidder shall assist the Township in establishing the issue price of the bonds and shall execute and deliver to the Township at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as Appendix H-1 or Appendix H-2 of the preliminary Official Statement for the bonds, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Township and bond counsel.

The Township intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the “Competitive Sale Requirements”) because:

- a. the Township is disseminating this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the Township anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the Township anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the Township shall so advise the winning bidder. The Township will not require bidders to comply with the “hold-the-offering-price rule” (as described below), and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity, though the winning bidder, in consultation with the Township, may elect to apply the

“hold-the-offering-price rule” (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” (as described below), bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% Test (as described below). The winning bidder must notify the Township of its intention to apply either the “hold-the-offering-price rule” or the 10% Test at or prior to the time the bonds are awarded.

If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the bonds, then the following two paragraphs shall apply:

- a. The Township shall treat the first price at which 10% of a maturity of the bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Township if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds; and
- b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the Township the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Township or bond counsel.

If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the bonds, then the following three paragraphs shall apply:

- a. The winning bidder, in consultation with the Township, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Township if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds. The winning bidder shall promptly advise the Township, at or before the time of award of the bonds, which maturities of the bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering-price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of the award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- a. the close of the fifth (5th) business day after the sale date; or
- b. the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the Township when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- c. The Township acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Township further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning

- bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.
 - c. sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing issue price.

Further, for purposes of this Official Notice of Sale:

- a. “public” means any person other than an underwriter or a related party;
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the bonds to the public);
- c. a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one

partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

- d. “sale date” means the date that the bonds are awarded by the Township to the winning bidder.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the bonds, the bidder agrees to the representation of the Township by Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel.

DELIVERY OF BONDS: The Township will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the Township shall promptly return the good faith deposit, if any. Payment for the bonds shall be made in Federal Reserve Funds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds. Application for CUSIP numbers will be made by Bendzinski & Co. Municipal Finance Advisors, municipal advisors to the Township. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the Township; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: A preliminary Official Statement that the Township deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Bendzinski & Co. Municipal Finance Advisors, municipal advisors to the Township, at the address and telephone listed under REGISTERED MUNICIPAL ADVISORS below. Bendzinski & Co. Municipal Finance Advisors will provide the winning bidder with an electronic version of the final

Official Statement within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Copies of the Official Statement will be supplied by Bendzinski & Co. Municipal Finance Advisors, upon request and agreement by the purchaser to pay the cost of the copies. Requests for copies should be made to Bendzinski & Co. Municipal Finance Advisors within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any and all increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the Township has requested and received a rating on the bonds from a rating agency, the Township shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser of the insurance. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE TOWNSHIP.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the Township has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, (i) on or prior to the last day of the seventh month after the end of each fiscal year commencing with the fiscal year ended March 31, 2025, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the Township to provide the required annual financial information on or before the date specified in (i) above.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS": By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517, Public Acts of Michigan, 2012, as amended, being MCL 129.311 et. seq.

REGISTERED MUNICIPAL ADVISORS: Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the Township to provide certain financial advisory services relating to the planning, structuring and issuance of the bonds. The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities and fees arise solely as a Registered Municipal Advisor to the Township and it has no secondary obligation or other responsibility. Further information relating to the bonds may be obtained from Bendzinski & Co. Municipal Finance Advisors, 17000 Kercheval Ave., Suite 230, Grosse Pointe, MI 48230. Telephone (313) 961-8222.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Meghan Dobben, Township Clerk
Township of Summit

50841409.3/110388.00005

FORM OF ISSUE PRICE CERTIFICATE

APPENDIX H-1
FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if the Competitive Sale Requirements are met.

\$[_____]
TOWNSHIP OF SUMMIT
COUNTY OF JACKSON, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) Issuer means Township of Summit, County of Jackson, State of Michigan.

(b) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock and Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)

50856796.1/110388.00005

FORM OF ISSUE PRICE CERTIFICATE

APPENDIX H-2
FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if either the 10% Test or the Hold-the-Offering-Price Rule applies.

\$[]
TOWNSHIP OF SUMMIT
COUNTY OF JACKSON, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”] [the “Representative”]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, [SHORT NAME OF UNDERWRITER] [the members of the Underwriting Group] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER] [the Underwriters] [has]

[have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Township of Summit, County of Jackson, State of Michigan.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] [the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock and Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER] [REPRESENTATIVE]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

50856797.1/110388.00005

The following have participated in the planning and development of the Bond issue:



TOWNSHIP OF SUMMIT

JOHN GRIFFIN
Supervisor

DAVID HEINS
Treasurer

MEGHAN DOBBEN
Clerk

BOARD OF TRUSTEES

MIKE TRUDELL
STEVE SCARPINO

MIKE WAY
TINA FARKAS

PROFESSIONAL SERVICES

REGISTRAR/TRANSFER

ARGENT INSTITUTIONAL TRUST COMPANY.
Grand Rapids, Michigan

BOND COUNSEL

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
Detroit, Michigan

REGISTERED MUNICIPAL ADVISOR



1700 Kercheval Ave., Suite 230, Grosse Pointe, MI 48230